



Cannock Chase Council

Council Meeting

Wednesday 17 April 2024 at 6:00pm

In the Council Chamber, Civic Centre, Cannock

Part 1

Notice is hereby given of the above-mentioned meeting of the Council, which you are summoned to attend for the purpose of transacting the business set out below:

1. Apologies

2. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members

To declare any interests in accordance with the Code of Conduct.

Members should refer to the guidance included as part of this agenda.

3. Minutes

To confirm the Minutes of the previous meeting held on 6 March 2024, minute numbers 62 – 73, page numbers 47 – 58.

4. Chair's Announcements and Correspondence

To receive any announcements and correspondence from the Chair of the Council.

5. Leader's Announcements and Correspondence

To receive any announcements and correspondence from the Leader of the Council.

6. Questions Received Under Council Procedure Rule 8

(i) The following question has been submitted in accordance with Council Procedure Rule 8 by Councillor O. Lyons:

"On Wednesday 6th September 2023 this Council committed to the following in respect of defibrillators:

- (A) Ensure that the maintenance records of all existing devices are up to date, with the expiration dates of the electrode pads monitored, batteries checked and a plan in place to ensure that each device is periodically serviced by a professional.

- (B) Undertake a prompt review (within the next quarter) of Council managed locations and larger, main parks which are popular destinations for the public but which do not currently have defibrillators in place (such as Elmore Park in Rugeley and Cannock Stadium) with a view to funding and implementing the lifesaving equipment.
- (C) Ensure that Council employees working within or assigned to work at each of the locations are provided with training on the use of defibrillators; and
- (D) Launch an awareness campaign to encourage local businesses, community groups, places of worship, social clubs, social enterprise organisations and sports clubs who may have their defibrillators to ensure that they are registered on The Circuit.

In accordance with point (B), it was agreed that a review would be undertaken within the next quarter. I would be grateful if the relevant Cabinet Member could provide an update in respect of that review which has presumably now completed and provide a progress update in respect of the implementation of the lifesaving equipment.

In addition to this, please could an update also be provided in respect of the awareness campaign at point (D)."

(ii) The following question has been submitted in accordance with Council Procedure Rule 8 by Councillor A.A. Fitzgerald:

"The Council are planting new trees for example in my area off Badgers Way. I am also aware of other tree planting schemes taking place on Council owned land across Cannock Chase. I welcome this for all sorts of good reasons, it helps with clean air, reduces greenhouse gases and provides habitat for wildlife.

As an active councillor, I get regular complaints about trees not being maintained and becoming large, intrusive and possibly dangerous. Can the relevant Cabinet member confirm there is an active maintenance plan for both these new trees, in addition to a full maintenance plan for the existing trees already in place (which fall within the Council's remit) alongside the Silver Cultural Plan."

7. Recommendations Referred from Cabinet:

Council is requested to consider a recommendation from the Cabinet meeting held on 28 March 2024 in respect of the following matter:

(i) Housing Benefit - Modified Scheme in Respect of War Disablement and Bereavement Pensions (Cabinet 28/03/24, Minute Number 111)

"That Council, at its meeting to be held on 17 April 2024, resolves to adopt the 'Modified Housing Benefit Scheme Disregards for War Disablement and Bereavement Pensions' policy statement as set out in appendix 1 of the 28 March 2024 Cabinet report.

The accompanying report for the above recommendation can be viewed on the [28 March 2024 Cabinet](#) meeting page on the Council's website.

8. Motions Received Under Council Procedure Rule 6

(i) To consider the following Motions submitted in accordance with Council Procedure Rule 6:

1. **'Boys need Bins' (Prostate Cancer UK)**

Submitted by Councillor C.L. Frew (Item 8.1 - 8.2).

This Motion was previously referred from the Council meeting held on 6 March 2024 to Cabinet for consideration as it was considered to include financial implications.

The Motion was duly considered at the Cabinet meeting held on 28 March 2024 (the relevant Minute text from the Cabinet meeting is provided at the end of the motion for reference).

2. **Ethel Powell (also known as 'Cannock's Florence Nightingale')**

Submitted by Councillor A.A. Fitzgerald (Item 8.3).

3. **Bleed Kits**

Submitted by Councillor O. Lyons (Item 8.4).

4. **Supporting Our Armed Forces Community**

Submitted by Councillor D.W.G. Williams (Item 8.5 - 8.8).

9. Review of Committees' Sizes

Report of the Head of Law & Governance (Item 9.1 - 9.4).

10. Constitution Amendments

Report of the Monitoring Officer (Item 10.1 - 10.16).

11. Annual Treasury Management Report 2022-23

Report of the Deputy Chief Executive-Resources & S151 Officer (Item 11.1 - 11.13).

12. Treasury Management Mid-Year Report 2023-24

Report of the Deputy Chief Executive-Resources & S151 Officer (Item 12.1 - 12.13).

13. Comments and Questions on Part 1 Minutes of Cabinet, Committees, Sub-Committees and Panels under Rule 9

To receive any comments or questions submitted under Rule 9 on Part 1 Minutes of meetings of Cabinet, Committees, Sub-Committees or Panels as included in the Minutes Record circulated alongside this agenda.

14. Exclusion of the Public

The Chair to move the following motion:

"That the public be excluded for the remainder of the meeting because of the likely disclosure of exempt information as defined in Paragraphs 1, 2, and 3, of Part 1, Schedule 12A, of the Local Government Act, 1972."

Part 2

15. **Comments and Questions on Part 2 Minutes of Cabinet, Committees, Sub-Committees and Panels under Rule 9**

To receive any comments or questions submitted under Rule 9 on Part 2 Minutes of meetings of Cabinet, Committees, Sub-Committees or Panels as included in the Minutes Record circulated alongside this agenda.



T. Clegg
Chief Executive

9 April 2024

Guidance on Declaring Interests at Meetings

Declaring Interests at Full Council

The Code of Conduct requires that where you have an interest in any business of the Council, and where you are aware or ought reasonably to be aware of the existence of the interest, and you attend a meeting of the Council at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

The following interests must be disclosed where they may be affected by any matter arising at the meeting:

- (a) A **Disclosable Pecuniary Interest** is an interest of yourself or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners) in respect of employment, office, trade, profession or vocation carried out for profit or gain; sponsorship; contracts; land; licences; corporate tenancies; or securities, as defined with the Localism Act, 2011.
- (b) A **Registerable Interest** includes any unpaid directorships or any body of which you are a member, or are in a position of general control, and (i) to which you are appointed by the Council, or (ii) which exercises functions of a public nature, or (iii) which is directed to charitable purposes, or (iv) one of whose principal purposes includes the influence of public opinion or policy.
- (c) A **Non-Registerable Interest** is any other matter affecting your financial interest or well-being, or a financial interest or well-being of a relative or close associate.

Where the matter **directly relates** to the interest, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Where the matter **affects** the interest, but does not **directly relate** to it, you can remain in the meeting and take part **unless** the matter affects the financial interest or well-being to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision, and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.

Please make the nature of the interest clear to the meeting

It would be helpful if, prior to the commencement of the meeting, Members informed the Monitoring Officer of any declarations of interest, of which you are aware. This will help in the recording of the declarations in the Minutes of the meeting.

Some items will be mentioned in the papers for full Council but are not actually being considered by Full Council. In such circumstances the Monitoring Officer's advice to Members is that there is no need to declare an interest unless the particular matter is mentioned or discussed. As a general rule, Members only need to declare an interest at full Council in the following circumstances:

- Where a matter is before the Council for a decision and/or
- Where the matter in which the Member has an interest is specifically mentioned or discussed at the Council meeting.

Cannock Chase Council

Minutes of the Meeting of the Council

Held in the Council Chamber, Civic Centre, Cannock

On Wednesday 6 March 2024 at 6:00 p.m.

Part 1

Present: Councillors:

Pearson, A.R. (Chair)

Foley, D. (Vice-Chair)

Arduino, L.	Jones, P.T.
Aston, J.	Kenny, B.
Bancroft, J.T. (arrived 7pm)	Kruskonjic, P.
Boulton, C.	Lyons, N.
Boyer, M.	Lyons, O.
Buttery, M.S.	Mawle, D.
Cartwright, S.M.	Muckley, A.M.
Dunnett, M.J.	Newbury, J.A.A.
Elson, J.S.	Owen, P.
Fisher, P.A.	Preece, J.P.T.L.
Fitzgerald, A.A.	Prestwood, J.
Frew, C.L.	Stanton, P.
Haden, P.K.	Theodorou, P.C.
Hill, J.	Thornley, S.J.
Johnson, J.P.	Williams, D.W.G.
Johnson, P.	Wilson, L.J.
Johnson, T.B. (Leader)	

62. Apologies

Apologies for absence had been received from Councillors L. Bishop, M.W.A. Hoare, P.G.C. Jones, V. Jones, F. Prestwood, and M. Sutherland.

It was also noted that Councillor Bancroft would be arriving at the meeting later.

63. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members

No other Declarations of Interests were made in addition to those already confirmed by Members in the Register of Members' Interests.

64. Minutes

That the Minutes of the Council meeting held on 21 February 2024 be approved as a correct record.

65. Chair's Announcements and Correspondence

(i) Funeral of Former Councillor Mike Davey

Following the announcement at the previous Council meeting regarding the passing of former Councillor Mike Davey, his funeral would be taking place on Tuesday 12 March, 12:30pm at Cannock Chase Crematorium. The family had asked that no black clothes be worn.

(ii) Prince of Wales - Schools in Harmony

This fantastic event was attended last Friday with the Leader of the Council. It was arranged by the Lions Club, this being the 10th year in a row it had taken place.

66. Leader's Announcements and Correspondence

(i) Councillor Fisher

Councillor Fisher was welcomed back to the chamber following his recent illness and it was good to see him on the road to recovery.

(ii) The Church of the Good Shepherd, Rugeley

The strength of the community in Rugeley was reflected in the outstanding work undertaken by the Good Shepherd's Group, based at the above-mentioned church. Working together, representatives from the church, local community, and councillors, had looked to improve the lives of the people on the Pear Tree estate.

Their achievements included:

- Keeping the church open and serving the community.
- Ensuring that a valued community asset was maintained.
- Raising money for the upkeep of the church.
- Bringing back activities for children and young people, such as Brownies and a Corp of Drums.

Also, there were children's activities planned for the Easter holidays, which would be facilitated by an external partner.

Many congratulations were given to all involved and may the Church of the Good Shepherd continue at the heart of the Pear Tree community for another 65 years.

Also, congratulations were due to Reverend Cath Leighton who had been appointed Parish Rector. Her appointment would ensure that her excellent track record in community engagement could be focused on the wider area which included not only Rugeley, but Brereton and Armitage as well.

(iii) Jackie Gange MBE

Congratulations were also due to Jackie Gange who was awarded the MBE in the New Year's Honours List for services to the community.

Jackie worked at the Citizens Advice Bureau (now Citizens Advice) for 24 years, retiring four years ago.

Since retiring she now volunteered twice a week, continuing to help people fill out forms and give information and advice.

Always a modest person, Jackie stated that she was part of a team and that her award should be for all her colleagues.

(iv) The Veolia Waste to Resources Site, Four Ashes

On 8 February, Councillors Bishop, Boyer, Foley, V. Jones, and Stanton visited the above facility.

They were accompanied by the Council's Waste & Engineering Services Manager, Craig Royall, and Kay Buck from South Staffordshire Council. Hilary Hampton, Veolia's Communications Manager conducted the party around the site and gave an interesting and thought-provoking presentation.

The facility took in non-recyclable waste from several areas across the region, incinerated it and used the heat to create energy, in the form of electricity when then went into the grid. Members who attended had said that the amount of waste that was disposed of needed to be seen to be believed. Still, turning that waste into energy was a valuable service.

Thank you to Veolia for allowing our councillors to tour the site.

67. Questions Received Under Council Procedure Rule 8

(i) The following question was asked in accordance with Council Procedure Rule 8 by Councillor C.L. Frew:

"Back in July 2023, I proposed a motion at the full council meeting of Cannock Chase District Council relating to Alcoholism Awareness."

The motion was ultimately unanimously backed by all members of this council, who were present at the full council meeting in July 2023.

This motion outlined three key objectives and recommendations for this council. These were that Cannock Chase District Council:

1. Participates in the Alcoholism Awareness week organised by Alcohol Change UK, commencing the year of 2024.
2. Asks the relevant Cabinet member and the Health and Wellbeing team to see if the Cannock Chase Can App can be further developed to enable users to track both their alcohol intake and water intake on the app, if users wish, to further assist users with leading healthy lifestyles, and gives further discretion to the Health and Wellbeing team to develop this initiative.
3. Additionally, requests that the Cannock Chase Can App includes both local and national contact details of charities and support networks which can offer support to individuals suffering from drug and alcohol addictions.

I would be most grateful if Councillor Jo Elson, Cabinet Member for Community Wellbeing, could please provide an update on the progress of the objectives and recommendations agreed by this council back in July 2023?"

The Community Wellbeing Portfolio Leader, Councillor J.S. Elson, provided the following response to the question:

"I would like to thank Cllr Frew for raising again these important issues and want to reassure him work is well underway in implementing the commitments that were made by this administration.

We committed to participating in Alcoholism Awareness week in 2024.

I can confirm that the Council has signed up to the annual campaign which will be launching in early July via Alcohol Change UK. We will have access to free digital resources from early May to prepare for this awareness week. These will include posters, social media assets and factsheets that will be uploaded to the Cannock

Chase Can App and Facebook page. A press release will be issued promoting the awareness week and highlight how Cannock Chase Can is supporting this further.

We committed to establishing whether the Cannock Chase Can App could be further developed to enable users to track their alcohol and water intake.

Officers at the Council have worked closely with the Community Wellbeing Team at Inspiring Healthy Lifestyles (IHL) to seek and secure external funding to develop the additional functionality within the app to monitor alcohol and water intake. I can confirm that we have been successful in securing the funding to build in the functionality that has been suggested.

We will co-create these solutions with those in our community with lived experience which will ensure what is produced is fit for purpose and will maximise the positive impact on those involved. Due to this approach, the final tool may slightly differ from the original scope, but it will reflect accurately what those with lived experience have said would have a positive impact. Officers from IHL and the Council have developed good partnership working with Alcohol Anonymous and the Midlands Partnership University NHS Foundation Trust (MPFT). Recent meetings have taken place to start developing this tool.

Alcohol was identified as a priority at the last Cannock Chase Can Action Group, so a Task and Finish Group, made up of health practitioners, is being set up which will oversee the development and delivery of this support tool.

We agreed to ensure the Cannock Chase Can App included contact details of support networks that offer support to individuals suffering from alcohol and drug addictions.

Alcohol support is promoted under the Manage Well section of the app. This includes links to the NHS Alcohol Support and the Drink Free Days app. Officers continue to work with Alcohol Anonymous and MPFT to identify other key services to ensure those listed provide quality and professional support to our residents.

I think that everyone can agree that significant progress has been made on this important area of work, which will have a positive impact on the lives of many of the residents in the district.”

68. Recommendations Referred from Cabinet

Consideration was given to the following recommendations to Council, made by the Cabinet at its meeting held on 1 February 2024, in respect of:

(i) Council Tax Charges in Respect of Unoccupied Dwellings (Cabinet 01/02/24, Draft Minute No. 89)

“That Council, at its meeting to be held on 6 March 2024, be recommended to:

- (i) Resolve to remove the current 12-month exemption given to properties which were unoccupied, substantially unfurnished, uninhabitable and in need of or undergoing major repair or structural alteration with effect from 1 April 2024.
- (ii) Resolve to introduce a 100% premium to the Council Tax liability in respect of properties which have been unoccupied and substantially unfurnished for 12 months with effect from 1 April 2024.
- (iii) Resolve to introduce a 100% premium to the Council Tax liability in respect of properties which are not occupied as any person’s sole or main residence and are substantially furnished (often referred to as second homes) with effect from 1 April 2025.”

Resolved:

That:

- (A) The current 12-month exemption given to properties which were unoccupied, substantially unfurnished, uninhabitable and in need of or undergoing major repair or structural alteration be removed with effect from 1 April 2024.
- (B) A 100% premium to the Council Tax liability be introduced with effect from 1 April 2024 in respect of properties which had been unoccupied and substantially unfurnished for 12 months.
- (C) A 100% premium to the Council Tax liability be introduced with effect from 1 April 2025 in respect of properties which were not occupied as any person's sole or main residence and were substantially furnished (often referred to as second homes).

69. Council Tax Resolution 2024-25

Consideration was given to the joint report of the Deputy Chief Executive-Resources & S151 Officer and the Head of Law & Governance (Item 8.1 - 8.7).

In accordance with Council Procedure Rule 15(4)(b), a named vote was held on the proposals:

For	Against	Abstain
Aston, J.	Arduino, L.	Frew, C.L.
Boulton, C.		Haden, P.K.
Boyer, C.		Jones, P.T.
Buttery, M.S.		Kenny, B.
Cartwright, S.M.		Kruskonjic, P.
Dunnett, M.J.		Lyons, N.
Elson, J.		Lyons, O.
Fisher, P.A.		Owen, P.
Fitzgerald, A.A.		
Foley, D.		
Hill, J.		
Johnson, J.P.		
Johnson, P.		
Johnson, T.J.		
Mawle, D.		
Muckley, A.M.		

For	Against	Abstain
Newbury, J.A.A.		
Pearson, A.R.		
Preece, J.P.T.L.		
Prestwood, J.		
Stanton, P.		
Theodorou, P.C.		
Thornley, S.J.		
Williams, D.W.G.		
Wilson, L.J.		
25	1	8

In addition, Councillors Bishop, Hoare, P.G.C. Jones, V. Jones, F. Prestwood, and Sutherland were absent from the meeting.

Furthermore, Councillor Bancroft had not yet arrived at the meeting.

Resolved:

That the Council Tax Resolutions 1 to 6 for 2024/25, as included at appendix 1 of the report, be approved.

70. Motions Received Under Council Procedure Rule 6

- (i) Consideration was given to the following Motion submitted in accordance with Council Procedure Rule 6 by Councillor D. Mawle:

Proportional Representation

“First Past the Post (FPTP) originated when land-owning aristocrats dominated parliament and voting was restricted to property-owning men.

In Europe, only the UK and the authoritarian Belarus still use archaic single-round FPTP for general elections. Internationally, Proportional Representation (PR) is used to elect the parliaments of more than 80 countries. These countries tend to be more equal, freer, and greener.

PR ensures all votes count, have equal value, and that seats won match votes cast. Under PR, MPs and Parliaments better reflect the age, gender, and protected characteristics of both local communities and of the nation. PR in our local council elections would be fairer and be more representative of our Cannock Chase residents.

MPs better reflecting the communities they represent in turn leads to improved decision-making, wider participation, and increased levels of ownership of decisions taken.

PR would also end minority rule. In 2019, 43.6% of the vote produced a government with 56.2% of the seats and 100% of the power. Fair, proportional votes also prevent ‘wrong winner’ elections such as occurred in 1951 and February 1974.

PR is the national policy of the Labour Party, Liberal Democrats, Green Party, SNP, Plaid Cymru, Reform UK and Women's Equality Party along with a host of Trade Unions and pro-democracy organisations.

PR is already used to elect the parliaments and assemblies of Scotland, Wales and Northern Ireland as well as the London assembly. Councillor Zack Polanski (Member of the London Assembly) said "In London we are elected under Proportional Representation. This often changes the political culture as it encourages cross party cooperation, better working relationships and improves final outcomes that are much more representative of what people actually voted for."

Its use should now be extended to include Westminster.

My motion asks Council to write to Esther McVey (Parliamentary Secretary for Political and Constitutional Reform) and our MP, Amanda Milling calling for a change in our outdated electoral laws and to enable Proportional Representation to be used for UK general and council elections."

"This motion is drafted by Councillor Darrell Mawle using information and documentation from Councils for PR, a cross-party initiative founded by Get PR Done! and Make Votes Matter.

[Get PR Done](#)

[Make Votes Matter](#)"

Resolved:

That the Council writes to Esther McVey (Parliamentary Secretary for Political and Constitutional Reform) and the Cannock Chase MP, Amanda Milling, calling for a change in our outdated electoral laws and to enable Proportional Representation to be used for UK general and council elections.

- (ii) Consideration was given to the following Motion submitted in accordance with Council Procedure Rule 6 by Councillor C.L. Frew:

Scrutiny Motion

"This Council notes:

- That the function of scrutiny is a crucial aspect of our District Council and our role as elected representatives.
- That the operation of scrutiny should allow elected members outside of the administration to scrutinise policies and plans implemented by and developed by the administration.
- That the use of scrutiny should be a forum that allows elected members to put forward the views of residents in our District.

This Council believes:

- That effective scrutiny functions enhance transparency and accountability of policy and decision making that takes place within this council, on the behalf of the residents in which we represent.
- That the operation of the scrutiny at Cannock Chase District Council should be to a high standard, enabling elected members to take decisions, make recommendations and to scrutinise, where applicable, for the benefit of residents within our District.
- That all members of this council, including cabinet members in the administration both present and in the future and those who act as presiding

chairs over scrutiny committees, have a crucial part to play in ensuring that scrutiny takes place effectively within Cannock Chase District Council.

- The function of scrutiny should allow questioning of cabinet members, council officers and council partners to allow members to obtain additional understanding upon a particular matter and to make well informed decisions.
- Scrutiny functions could be improved at Cannock Chase District Council, and efforts should be focused on bridging the gap between the administration and wider council members, enhancing our overall ability as a council to scrutinise decision making and policy.

This Council resolves:

- To agree an Executive Scrutiny Protocol that adheres to the expectation that all Cabinet members will receive an invite for Scrutiny Committee meetings, and Cabinet Members will attend Scrutiny Meetings that fall within the remit of their portfolio.
- To accept an Executive Scrutiny Protocol that agrees to the expectation that the Leader of the Council, or in substitute the Deputy Leader of the Council, should attend all Scrutiny Meetings, where possible.
- To agree an Executive Scrutiny Protocol that agrees to the expectation that if a Cabinet Member wishes to speak at a Scrutiny Meeting, the presiding chair of the applicable meeting will give them this opportunity.
- To accept an Executive Scrutiny Protocol that agrees to the expectation that the presiding chair of a Scrutiny Meeting affords the opportunity to a Scrutiny Committee Member to ask a question to a Cabinet Member, that is present at the meeting, regarding matters on the agenda related to their portfolio and the Scrutiny Committee remit.”

“This motion has been put together by myself, Cllr Charlie Frew, and I have utilised the following sources to put together this motion, and they also outline some of the recommendations proposed within this motion. With reference to:

[Centre for Governance and Scrutiny - Good Scrutiny Guide](#)

[Melton Borough Council - Executive Scrutiny Protocol](#)

[Local Government Association - Councillors Workbook-Scrutiny”](#)

(Councillor J.T. Bancroft arrived at the meeting during the presentation of this Motion.)

In accordance with Council Procedure Rule 15(4)(a), a named vote was then requested on the Motion and supported by the required number of Members.

Councillor D.W.G. Williams moved the following amendment to the Motion, which was duly seconded.

“That the current wording under ‘This Council Resolves’ be deleted and replaced with:

This Council considers adopting a properly formulated Executive Protocol suited to the requirements of Cannock Chase District Council.

1. To setup a working group to draft the proposed Executive Scrutiny Protocol.
2. To agree that this working group is set up by the Responsible Council Scrutiny Committee.

3. To agree that this includes the Council Leader, all Scrutiny Chairs, one Green Councillor and three opposition Councillors.
4. To agree that if the above is approved by the Council, then the mover of the original motion is asked to chair the working group as one of the three other opposition members (or a member of the opposition if they are unable to do so).
5. To agree that the formulation of the draft report should be brought back to the full Council for consideration and potential adoption.”

The proposed Amendment was accepted by Councillor Frew, with the proviso that the working group consider the four resolutions originally put forward, and therefore became part of the Substantive Motion.

It was then clarified that a named vote still wished to be taken on the Motion as amended:

For	Against	Abstain
Arduino, L.		
Aston, J.		
Bancroft, J.T.		
Boulton, C.		
Boyer, C.		
Buttery, M.S.		
Cartwright, S.M.		
Dunnett, M.J.		
Elson, J.		
Fisher, P.A.		
Fitzgerald, A.A.		
Foley, D.		
Frew, C.L.		
Haden, P.K.		
Hill, J.		
Johnson, J.P.		
Johnson, P.		
Johnson, T.J.		
Jones, P.T.		
Kenny, B.		

For	Against	Abstain
Kruskonjic, P.		
Lyons, N.		
Lyons, O.		
Mawle, D.		
Muckley, A.M.		
Newbury, J.A.A.		
Owen, P.		
Pearson, A.R.		
Preece, J.P.T.L.		
Prestwood, J.		
Stanton, P.		
Theodorou, P.C.		
Thornley, S.J.		
Williams, D.W.G.		
Wilson, L.J.		
35	0	0

In addition, Councillors Bishop, Hoare, P.G.C. Jones, V. Jones, F. Prestwood, and Sutherland were absent from the meeting.

Resolved:

That this Council considers adopting a properly formulated Executive Protocol suited to the requirements of Cannock Chase District Council, and that:

- (A) A working group be set up to draft the proposed Executive Scrutiny Protocol.
- (B) The working group be set up by the Responsible Council Scrutiny Committee.
- (C) The working group include the Leader of the Council, all Scrutiny Chairs, one Green Councillor and three Opposition Councillors.
- (D) That the mover of the original motion chair the working group as one of the three opposition members (or if they are unable to do so, then it be chaired by another opposition member).
- (E) The formulation of the draft report should be brought back to the full Council for consideration and potential adoption.

(iii) Consideration was given to the following Motion submitted in accordance with Council Procedure Rule 6 by Councillor C.L. Frew:

‘Boys need Bins’ Motion (Prostate Cancer UK)

“This Council notes:

- Prostate cancer is the most common cancer in men. 1 in 8 men will be diagnosed, rising to 1 in 4 for Black men. As many as 69% of those treated with surgery may experience urinary incontinence as a result.
- 1 in 25 men aged over 40 will experience some form of urinary leakage every year.
- 1 in 20 men aged 60 or over will experience bowel incontinence in the UK.
- Men who need to dispose of their sanitary waste (including incontinence pads, pouches, stoma, catheter, colostomy, ileostomy waste by-products) often have no direct access to a sanitary bin in male toilets.

This Council believes:

- That men should be able to safely and hygienically dispose of incontinence products easily and with dignity wherever they go.
- That men who need to dispose of their sanitary waste should have direct access to a sanitary bin in male toilets.

This Council resolves:

- That the relevant Executive Member should consider as soon as reasonably practicable the provision of at least one sanitary bin in all District Council male toilets - both public and in council buildings.
- To encourage other providers of public and workplace toilets in our area to make male sanitary bins available in their facilities.
- To support Prostate Cancer UK’s ‘Boys need Bins’ campaign.
- To invite our local MP to join us and work collaboratively in raising awareness of the Prostate Cancer UK’s ‘Boys need Bins’ campaign and highlight the need to ensure that ‘suitable means for the disposal of sanitary dressings’ is provided in all toilets.”

“Please note this motion is not my own work, the majority of the motion has been taken from:

[Prostate Cancer UK Incontinence Campaign](#)

[Hampshire County Council Motion](#)”

The Leader of the Council moved an Amendment that the Motion be referred to Cabinet for consideration as it was considered to include financial implications.

The proposed Amendment was accepted by Councillor Frew and therefore became the Substantive Motion.

Resolved:

That in accordance with Council Procedure Rule 6(5), the Motion be referred to the next practicable Cabinet meeting for consideration and report, as it was considered the Motion would have a financial impact on the Council as per Council Procedure Rule 6(4).

71. Localism Act 2011 - Pay Policy Statement 2024-25

Consideration was given to the report of the Head of Transformation & Assurance (Item 10.1 - 10.11).

(Councillor P. Johnson left the meeting during the presentation of this item and did not return.)

Resolved:

That the Policy Pay Statement 2024-25, as set out in appendix 1 of the report be approved, and that it be published on the Council's website.

72. Calendar of Meetings 2024-25

Consideration was given to the report of the Chief Executive (Item 11.1 - 11.11).

Resolved:

That:

- (A) The calendar of meetings 2024-25, as included at appendix 1 of the report be approved.
- (B) The Chief Executive, in consultation with the Chair of the Council, relevant Chairs of Committees and / or Leader of the Council, as appropriate, be authorised to amend the calendar of meetings, through convening additional meetings, or the postponement / cancellation of meetings, if required.

73. Comments and Questions on Part 1 and Part 2 Minutes of Cabinet, Committees, Sub-Committees and Panels under Rule 9

None received.

The meeting closed at 7:48 p.m.

Chair

Motion 1 - 'Boys need Bins' Motion (Prostate Cancer UK)

"This Council notes:

- Prostate cancer is the most common cancer in men. 1 in 8 men will be diagnosed, rising to 1 in 4 for Black men. As many as 69% of those treated with surgery may experience urinary incontinence as a result.
- 1 in 25 men aged over 40 will experience some form of urinary leakage every year.
- 1 in 20 men aged 60 or over will experience bowel incontinence in the UK.
- Men who need to dispose of their sanitary waste (including incontinence pads, pouches, stoma, catheter, colostomy, ileostomy waste by-products) often have no direct access to a sanitary bin in male toilets.

This Council believes:

- That men should be able to safely and hygienically dispose of incontinence products easily and with dignity wherever they go.
- That men who need to dispose of their sanitary waste should have direct access to a sanitary bin in male toilets.

This Council resolves:

- That the relevant Executive Member should consider as soon as reasonably practicable the provision of at least one sanitary bin in all District Council male toilets - both public and in council buildings.
- To encourage other providers of public and workplace toilets in our area to make male sanitary bins available in their facilities.
- To support Prostate Cancer UK's 'Boys need Bins' campaign.
- To invite our local MP to join us and work collaboratively in raising awareness of the Prostate Cancer UK's 'Boys need Bins' campaign and highlight the need to ensure that 'suitable means for the disposal of sanitary dressings' is provided in all toilets."

"Please note this motion is not my own work, the majority of the motion has been taken from:

[Prostate Cancer UK Incontinence Campaign](#)

[Hampshire County Council Motion](#)"

Extract of 28 March 2024 Cabinet Minute:

Motion Referred from 6 March 2024 Council Meeting (Minute Number 109)

"Consideration was given to the Motion referred from the full Council meeting held on 6 March 2024 in respect of the 'Boys need Bins' - Prostate Cancer UK campaign (Item 6.1).

The Leader thanked Councillor Frew for bringing the motion forward, noting himself and others present had had some experience of the issues/problems it highlighted. There were however cost implications which would be outlined by the relevant Portfolio Leader, and as such, it was proposed that the disabled toilets be redesignated as accessible toilets. This would allow for the existing sanitary bins located in those toilets to be changed to medical waste bins, thereby allowing for the disposal of sanitary and incontinence products, for both males and females.

The Housing Portfolio Leader noted that confirmed costings from the current contractor were still awaited, but it was understood from the Corporate Assets Manager that the costs were likely to be in the region of £1,000 to £1,200, although it was unclear if this was a total cost or per bin.

The Leader recommended that the Housing Portfolio Leader, the Deputy Chief Executive-Place, and the Head of Housing & Corporate Assets be given delegated authority to take the requested actions forward depending on what feedback was received on the costings for the bins.”

In accordance with Council Procedure Rule 6(8), the procedure to be followed for considering this Motion is:

- (a) The motion will already be deemed to have been moved and seconded at the previous Council meeting.*
- (b) The mover of the motion will present the motion again.*
- (c) The relevant Cabinet Portfolio Leader (or other Cabinet member if unavailable), shall present the report or recommendations of Cabinet, but may also speak again during the debate on the motion.*

The original motion will then be discussed under the normal rules of debate.

Motion 2 - Ethel Powell (also known as 'Cannock's Florence Nightingale')

“From 1977 Ethel Powell campaigned tirelessly to help raise £1.5million for medical care in Cannock Chase and was awarded an MBE 33 years later upon her retirement aged 90 years old. She also received Freedom of the District and was only the third person to receive this award. Ethel and her team, including her husband John, worked tirelessly dedicating time and effort into raising money for the benefit of local patients. She devoted herself to getting the best equipment and services for Cannock Chase Hospital.

Ethel Powell's vision and commitment to enhancing healthcare accessibility led to the establishment of our hospital in Cannock. Her advocacy for better healthcare facilities reflected her deep concern for the well-being of the local community. Through her leadership and determination, she laid the foundation for a local healthcare system that prioritises the needs of our local residents.

Additionally, Ethel Powell's initiative in founding the League of Friends demonstrated her passion for supporting those in need. The organisation played a vital role in providing assistance and resources to individuals requiring medical care and has grown into an organisation that provides catering and ward support to patients and their families and staff in our local hospital but also in both the County Hospital and St George's Hospital in Stafford. The League is now also a leading Supported Housing provider in Stafford. By creating a supportive network within the community, Ethel Powell ensured that individuals facing health challenges received the necessary support and care.

Notably, Ethel Powell's dedication to accessibility and inclusivity extended to the physical infrastructure of healthcare facilities. The installation of a lift at the old Ivy House Cottage Hospital exemplifies her commitment to ensuring that all individuals, including those in wheelchairs or with injuries, could access and enjoy the hospital's amenities. Her efforts to enhance accessibility promoted equality and dignity for all members of the community.

In recognition of Ethel Powell's outstanding contributions to healthcare and community support, I feel it is essential to honour her legacy within Cannock Town Centre. By further acknowledging her achievements and the lasting impact of her work, the community can uphold her values and inspire future generations to help prioritise the well-being of others.

I have worked with Cannock and District Soroptimists to bring forth this motion. Soroptimist International are a global women's volunteer movement and the local Group are keen to work with the Council to place and locate a Plaque in Cannock Town Centre to honour the work of Ethel Powell. It would be a commendable and fitting tribute to a dedicated community advocate.

In honouring Ethel Powell with a Plaque in the Town Centre, this Council and the Soroptimists will be celebrating a true community hero whose legacy will forever be ingrained in the fabric of Cannock Chase. May the plaque serve as a symbol of gratitude, inspiration, and remembrance for Ethel Powell's enduring contributions to the town and its residents.

English Heritage have called for more women to be recognised and celebrated for the great things they have done for their communities, and Ethel is one of these women who should have a Plaque for all to see.

The Plaque honouring Ethel Powell will not only celebrate her remarkable work but also serve as a reminder of the values she embodied – compassion, dedication, and a commitment to serving others. As a role model for future generations, Ethel Powell's legacy will continue to inspire individuals to make a positive impact in their communities and advocate for the well-being of all.”

Motion 3 - Bleed Kits

“When severe blood loss occurs, such as following a stab or crush injury, a fatality can occur within as little 5 minutes. As a result, traumatic bleeding tragically takes many lives each year, some of which may have been prevented if a specialist bleed control kit had been accessible whilst awaiting the ambulance service.

Bleed kits are more advanced than general first aid kits. Specialist bleed control kits include tourniquets and pressure bandages to stem catastrophic bleeding, coagulation dressings and equipment to help reduce infection.

Locally, the West Midlands Ambulance Service have highlighted the need for bleed kits and our local First Responders have launched an initiative to increase the number of available bleed kits across Cannock Chase.

To help meet this need and to ensure that our local communities are as prepared as possible in the event of such an incident, I propose that this Council:

- (1) Undertake an imminent review of Council managed locations, such as the main parks across the District which are popular destinations for the public, to determine the most suitable and accessible sites in which to locate bleed kits;
- (2) Once suitable sites have been identified, introduce bleed kits; and
- (3) Ensure the bleed kits are checked as required and ongoing maintenance arranged.”

Motion 4 - Supporting Our Armed Forces Community

The council notes that:

- The obligations it owes to the Armed Forces community within Cannock Chase as enshrined in the Armed Forces Covenant; that the Armed Forces community should not face disadvantage in the provision of services and that special consideration is appropriate in some cases, especially for those who have given the most.
- Our nation celebrates our Armed Forces and shows our support for the men and women who make up the Armed Forces Community (serving personnel, service families, veterans, and cadets) by holding an Armed Forces Day on the last Saturday each June. Celebrations begin on the Monday of that week with the unique role of the Reserve Forces who are celebrated on Reserves Day which is usually in the middle of Armed Forces Week.
- Cannock Chase has rich military history and served as a training ground for soldiers during the World Wars. The First World War saw the establishment of the Brocton and Rugeley camps, while the Second World War marked the opening of RAF Hednesford. Today, the Army Cadets continue this legacy at their training centre on the old Rugeley camp site.
- Four percent of constituents living within Cannock Chase are veterans with thirty-four percent of those constituents registered disabled.

This Council firmly believes that:

- We pay homage to the generations of service personnel who have come before us. Their sacrifices, made in the pursuit of our freedom and security, have shaped the world we live in today. These brave individuals, from various backgrounds and walks of life, stepped forward when their nation called upon them. They served with honour and distinction, often in the face of great adversity. As we remember their sacrifices, we reaffirm our commitment to supporting our current service personnel, forces families and veterans, ensuring they receive the recognition and support they deserve. Their service is a continuation of this proud tradition, and we owe it to them, and to those who came before, to honour this commitment.
- The Armed Forces community contributes significantly to our society, not only in terms of security but also in terms of skills, values, and diversity. Supporting them is a way of acknowledging and valuing this contribution.
- Veterans are an asset to society and deserve the best possible care and support in recognition of the service they have given and the sacrifices they have made; considers that those veterans and their families who have experienced pain and loss because of their or a loved ones' service in the Armed Forces are rightly compensated.
- Providing support to the Armed Forces Community is a matter of fairness and respect. They have served our country and protected our freedoms, and it is only right that we, as a society, ensure they are supported in return.
- Supporting the Armed Forces Community can also have broader societal benefits. For example, it can help promote social cohesion, community spirit, and a sense of shared responsibility.
- Finally, supporting the armed forces community sends a strong message about the kind of society we want to be - one that values service, sacrifice, and mutual support. It sets a positive example for future generations about the importance of contributing to society and supporting those who do.

The council welcomes that:

- Cannock Chase District Council, along with all other local authorities in Great Britain, has proudly signed the Armed Forces Covenant.
- Cannock Chase District Council has recognised its support for the Armed Forces and has received the Ministry of Defence's (MOD) Employee Recognition Scheme (ERS) Silver Award in 2021.
- The Cabinet has recently agreed to refer policy proposals regarding Veterans benefits to full Council.
- Following pressure from lived experience groups campaign groups, the government finally scrapped visa fees for Commonwealth Veterans.

The Council expresses concern that:

- Our council has fallen behind in our advocacy for the Armed Forces Community with other local councils who have recently been awarded Ministry of Defence's ERS Gold Award status. ERS Gold Status is the highest award from the MOD and demonstrates an organisation's increased commitment to the Armed Forces Community and excellent advocacy.
- Our service personnel, with their unwavering commitment and professionalism, have become the backbone of our public sector resilience. They are routinely called upon to maintain essential services amidst industrial action, often stepping into roles far removed from their military duties. This is a testament to their adaptability and dedication, but it also underscores the sacrifices they make on a daily basis. However, without a right to strike, it is the moral duty of their leaders to uphold the Armed Forces Covenant and the responsibility of elected bodies is to uphold their part of this obligation and insist that our service personnel and their families receive the support they deserve.
- A decade of pay cuts in real terms, coupled with the escalating cost-of-living crisis and delays in the Armed Forces pay award, are directly affecting our Service Personnel and their families. Amidst these challenges, it is charities and regimental associations that continue to step in, providing essential cost of living grants and vouchers to our veterans and their families. This situation underscores the urgent need for systemic change to better support those who have served our nation.
- In the aftermath of the humanitarian crisis in Afghanistan, the UK has become a sanctuary for many Afghan refugees. However, a significant number of these individuals are grappling with homelessness as they await confirmation of their status. Furthermore, there are still eligible Afghan refugees, including those who have supported the UK and NATO allies in Afghanistan, who remain stranded in their homeland. This situation underscores the urgent need for comprehensive solutions to address these challenges.
- While the government has commendably waived visa fees for Commonwealth Veterans, it has regrettably declined to extend this exemption to their spouses and children. This, coupled with the recent surge in visa fees, has resulted in families bearing the brunt of thousands of pounds in immigration costs amidst an ongoing cost-of-living crisis.

In light of the above, this council resolves

- To continue the role of Armed Forces Champion as there is a clear need for this role which acts as a bridge between the Council and our Armed Forces Community on issues which this Council has responsibility for and to act as an advocate for the Armed Forces Community to residents, community groups, local business, and partner organisations. This role will continue indefinitely with the role being appointed biennial at the Annual General Meeting. The Armed Forces Champion to have the support of a personal assistant to arrange affairs with external stakeholders. The Armed Forces Champion will report to the Cabinet on a biannual basis.
- To set up a short-term working group chaired by the Armed Forces Champion consisting of internal and external stakeholders to improve how the Council advocates and supports the Armed Forces Community. This working group will include the Leader of the Council and Leader of the Opposition, relevant senior officers, local veteran groups and charities, West Midlands Reserve Forces and Cadet Association, local Armed Forces Units and Cadet Units. However, the terms of reference will be developed by the working group when formed.
- For the outcome of the short-term working group to be considered by Cabinet and relevant local policies are amended to reflect such a position.
- To commit to obtaining ERS Gold Status within three years. The Council will develop a strategy to achieving this goal and operationalise this plan.
- To continue to support Armed Forces Week by supporting local Armed Forces Week events and to fly the Armed Forces flag during this time. In addition, the Council will consider extending an invitation to our community and Armed Forces Stakeholders to participate in a memorial service and celebration of our Armed Forces Community during this week so that we can continue to celebrate our Armed Forces Community in a positive way.
- Request the Chief Executive and Leader of the Council to write to Government, urging it to extend additional fundamental financial support to service personnel. This can be achieved by implementing a cap on food and accommodation charges for the forthcoming 12 months. Additionally, they should advocate for an immediate review of the current Armed Forces accommodation charges, food charges, and allowances.
- Request the Chief Executive and Leader of the Council to write to Government articulating concerns about the existing aid provided to Afghan refugees. The letter should appeal for suitable funding to facilitate housing for these refugees. It should also press the Government to expedite plans to ensure the safe arrival of Afghan refugees who have served, including those currently stranded in Iran and Pakistan, to the UK.
- Request the Chief Executive and the Leader of the Council to write to both the Minister of State for Immigration and the Minister of State for Veteran Affairs. The letter should express this council's endorsement for granting the right to remain to all spouses and children of Commonwealth veterans concurrently with the serving Commonwealth veterans, and importantly, without any associated fees."

“With reference to the following hyperlinks:

- [Defence Employer Recognition Scheme](#)
- [2021 census: How many veterans are in my constituency? \(parliament.uk\)](#)
- [Armed Forces Day](#)
- [Commonwealth Visa Fees \(britishlegion.org.uk\)](#)
- [Credit their Service \(britishlegion.org.uk\)](#)
- [The Armed Forces Covenant \(britishlegion.org.uk\)](#)
- [Afghan Refugees”](#)

Review of Committees Sizes

Committee:	Council
Date of Meeting:	17 April 2024
Report of:	Head of Law & Governance
Portfolio:	Leader of the Council

1 Purpose of Report

- 1.1 For Council to consider proposed reductions in the number of seats on committees as a result of the overall reduction in councillor numbers due to come into force from the district elections on 2 May 2024.

2 Recommendations

- 2.1 That in accordance with the upcoming 12.2% reduction in the overall size of Council membership, the committees' sizes as set out in report paragraph 5.6 also be reduced by a similar proportion commencing from the date of the 2024 Annual Council Meeting.

Reasons for Recommendations

- 2.2 To agree the recommendations made by the boundary review working group following its review of the number of seats on the Council's committees and other bodies.

3 Key Issues

- 3.1 The recent review of the Council's ward boundaries as undertaken by the Local Government Boundary Commission for England (LGBCE) will result in the number of councillors elected to serve on Cannock Chase District Council being reduced from 41 to 36. It was therefore considered appropriate to undertake a review of the number seats allocated to each of the Council's committees and other bodies.

4 Relationship to Corporate Priorities

- 4.1 Not applicable.

5 Report Detail

- 5.1 The boundary review working group was formed of a single representative from each political group represented on the Council and supported by the Head of Law & Governance. The purpose of the group being called was to consider whether the number of seats on committees and other bodies should be reduced as a result in the forthcoming reduction in overall councillor numbers.
- 5.2 The group first met on 14 November 2023 to consider a report setting out current numbers of seats on committees. The report also provided information on committee sizes at other Staffordshire authorities as well as seven councils within

the Council's 'comparator audit group'. After this first meeting, the group members discussed the report individually within their own political groups.

- 5.3 The working group met again on 15 January 2024 to provide feedback from those discussions. It was agreed it would be sensible for the Council to look at a proportionate reduction in size to its larger committees.
- 5.4 By reducing from 41 to 36 Councillors overall, the Council size would reduce in percentage terms by 12.2%. Applying that reduction to the committees and other bodies would result in the following changes:

Committee	Current size	12.2% reduction	Proposed size
Planning Control	15	1.8	13
Overview & Scrutiny (x3):			
Economic Prosperity	13	1.6	11
Health, Wellbeing, and The Community	13	1.6	11
Responsible Council	13	1.6	11
Licensing & Public Protection	10	1.2	10*
Audit & Governance	7	0.85	6
Standards	7	0.85	6
Trade Union Consultative Forum	7	0.85	6
Joint Appointments	3	0.36	3
Appeals and Complaints Panel	5	0.6	5
Constitution Working Group	6	0.7	6

*[*section 6 of the Licensing Act 2003 requires that local authorities' licensing committees must be comprised of at least ten members.]*

The above proposals would result in an overall reduction of 11 committee places.

- 5.5 The working group discussed the above proportionate reductions further with their respective political groups. Although one Group expressed a preference to reduce the Planning Control Committee by one seat instead of two, the other two Groups considered that a reduction by two seats was preferable and indicated approval to proceed with the reductions as set out.
- 5.6 Therefore, in accordance with the upcoming 12.2% reduction in the overall size of Council membership, the boundary review working group recommends that the following committees' sizes also be reduced by a similar proportion commencing from the date of the 2024 Annual Council Meeting:

Committee	Current size	12.2% reduction	Proposed size
Planning Control	15	1.8	13
Overview & Scrutiny (x3):			
Economic Prosperity	13	1.6	11
Health, Wellbeing, and The Community	13	1.6	11
Responsible Council	13	1.6	11
Licensing & Public Protection	10	1.2	10*
Audit & Governance	7	0.85	6
Standards	7	0.85	6
Trade Union Consultative Forum	7	0.85	6

*[*section 6 of the Licensing Act 2003 requires that local authorities' licensing committees must be comprised of at least ten members.]*

6 Implications

6.1 Financial

None.

6.2 Legal

None.

6.3 Human Resources

None.

6.4 Risk Management

None.

6.5 Equalities and Diversity

None.

6.6 Health

None.

6.7 Climate Change

None.

7 Appendices

None.

8 Previous Consideration

None.

9 Background Papers

None.

Contact Officer: Matt Berry

Telephone Number: 01543 464 589

Report Track: Council: 17/04/24

Constitution Amendments

Committee:	Council
Date of Meeting:	17 April 2024
Report of:	Monitoring Officer
Portfolio:	Leader of the Council

1 Purpose of Report

- 1.1 To present to Council for consideration proposed amendments to the Constitution.

2 Recommendations

- 2.1 That the proposed amendments to the Constitution, as detailed in Appendix 1, be approved.

Reasons for Recommendations

- 2.2 To ensure the Constitution remains up to date, Council is recommended to approve the proposed amendments detailed in Appendix 1 of this report.

3 Key Issues

- 3.1 Under section 12 of the Constitution (Review and Revision of the Constitution) the Monitoring Officer, in conjunction with the Constitution Working Group, is required to monitor and review the Constitution on an annual basis.
- 3.2 The Constitution Working Group met on 5 February and 25 March 2024 to undertake its latest review. The amendments considered and agreed by the Working Group are detailed in Appendix 1.

4 Relationship to Corporate Priorities

- 4.1 The Constitution provides for the proper governance of the Council and cuts across all priorities.

5 Report Detail

- 5.1 The process for reviewing the Constitution on an annual basis was adopted as part of the review undertaken in 2015 to ensure that it remained up to date and allowed for amendments to be made in a timely manner if the need was identified during the year.
- 5.2 The latest review undertaken by the Monitoring Officer, in conjunction with the Constitution Working Group, considered several amendments to the Constitution, along with the reasons for why the amendments had been put forward. The proposals are detailed in report Appendix 1, and the required changes to the Constitution are detailed in report Appendix 2.

- 5.3 Any updates made to the Scheme of Delegations approved separately by Council or the Cabinet since September 2023 will also be inserted into the Constitution as part of this update.
- 5.4 Furthermore, should changes to the sizes of committees be approved by Council at today's meeting under agenda item 9, then the terms of reference for each relevant committee/panel/working group will also be updated to reflect the new number of seats to come into effect from 22 May 2024.

6 Implications

6.1 Financial

None.

6.2 Legal

Keeping the Constitution under regular review ensures that it complies with any relevant legal requirements currently in force.

6.3 Human Resources

None.

6.4 Risk Management

None.

6.5 Equalities and Diversity

None.

6.6 Health

None.

6.7 Climate Change

None.

7 Appendices

Appendix 1: Proposed changes to the Constitution.

Appendix 2: Tracked changes amendments to the Constitution.

8 Previous Consideration

None.

9 Background Papers

None

Contact Officer: Matt Berry
Telephone Number: (01543) 464 589
Report Track: Council: 17/04/24

Proposed Changes to the Constitution

Part / Section to be Reviewed	Pages and Paragraphs to be Reviewed	Proposed Wording to be Inserted / Deleted / Amended	Reasons for Requesting Review
Part 3, Section 17 - Planning Control Committee Terms of Reference	Page 3-17-2 Paragraph 17.9	<p>Delete text in red and insert text in bold:</p> <p>'To carry out the following functions in accordance with the Codes of Conduct, Local Protocols and Planning Guidance:</p> <ul style="list-style-type: none"> (i) determining applications made under the Town and Country Planning Acts (applications for planning permission, approval of reserved matters, listed building consent, conservation area consent, consent to display advertisements, certification of lawful use for development, approval to fell or carry out work to trees which are the subject of Tree Preservation Orders (TPO), applications for prior notification of agricultural, forestry, telecommunications development and demolition) other than those delegated to Officers under the Scheme of Delegation to Officers. (iv) the making confirmation of Tree Preservation Orders where there are unresolved objections. 	To regularise and align the functions of the Committee with the proposed changes to the scheme of delegations as set out below (scheme of delegations paragraph 26.6.2).
Part 3, Section 26 - Scheme of Delegations	Page 3-26-9 Paragraph 26.6.2	<p>To delete the following:</p> <p>To make and (within the powers of the Council) confirm:</p> <ul style="list-style-type: none"> (a) Emergency or temporary tree preservation orders (TPOs). (b) To deal with any unopposed applications to lop, top, or fell legally protected trees and trees within conservation areas, and give grant aid therefore pursuant to Council policy. (c) Determine applications to fell or do works to trees that are the subject of a TPO. 	<p>The current delegations lack clarity and - in some respects - omit vital references to parts of the relevant processes.</p> <p>For instance, no mention of the revocation or variation of TPOs is included, which effectively prevents the Council from lawfully revoking or varying its own TPOs. A further example is point (b) in the delegations to be deleted:</p> <p>Currently the delegation indicates that opposed applications can only be dealt</p>

Part / Section to be Reviewed	Pages and Paragraphs to be Reviewed	Proposed Wording to be Inserted / Deleted / Amended	Reasons for Requesting Review
		<p>(d) Make TPOs, and, where there are no objections, to confirm them when dealing with planning related matters; and</p> <p>(e) To exercise powers to dispense with or to enforce the duty to replace trees which are subject to a TPO.</p> <p>And replace with the following:</p> <ol style="list-style-type: none"> 1. 'To make, vary, modify, revoke (and confirm unless there are substantial unresolved objectives) tree preservation orders (TPOs) under section 198 of the Town and Country Planning Act 1990 (as amended). 2. To determine applications made under TPOs and determine notifications made in respect of trees in Conservation Areas (S211 notices). 3. To exercise all powers in relation to the duty to replace trees protected by TPO or within Conservative Areas. 4. To deal with any appeals in relation to the determination of TPO applications. 5. To exercise all powers relating to countryside hedgerows as set out in the Hedgerows Regulations 1997 and the Environment Act 1995.' 	<p>with by the Planning Committee. This appears to be technically incorrect as the processes for dealing with opposed applications are carried out by the Planning Inspectorate. In addition, the delegation includes the use of grant aid which is not primary legislation and not relevant to protected trees or trees in a Conservation Area.</p> <p>Therefore, the scheme has been re-written to provide delegations (points 1-4) which are clear, concise, and fit for purpose.</p> <p>One further delegation (5) has been added, which deals with notices under the Hedgerow Regulations 1997 and on which the previous delegations were silent.</p>
Part 3, Section 26 - Scheme of Delegations	Page 3-26-10 Paragraph 26.7.19	<p>Insert text shown in bold:</p> <p>To sign and serve notices under the following sections of the Building Act 1984:</p> <ol style="list-style-type: none"> (a) Section 32 - Lapse of deposit plans (b) Section 35B - Compliance Notices (c) Section 35C - Stop Notices (d) Section 36 - Removal or alteration of offending work (e) Section 73 - Raising of chimney 	<p>New legislation in the Building Act 1984 brought into effect by the Building Safety Act 2022.</p> <p>Under S46A of Building Act and The Building (Restricted Activities & Functions) Regulations 2023 these are restricted activities.</p>

Part / Section to be Reviewed	Pages and Paragraphs to be Reviewed	Proposed Wording to be Inserted / Deleted / Amended	Reasons for Requesting Review
Part 4, Section 32 - Financial Regulations	Page 4-32-14 Paragraph 8.16	Delete text in red and insert text in bold : “Where debts are due and have been actively pursued, but remain unpaid, the Section 151 Officer is authorised to write-off bad debts up to £2,500 £10,000 on recommendation of the appropriate Head of Service Service Manager . The Section 151 Officer will report to Cabinet the number and value of debts written off in this way. ”	Increasing the limit from £2,500 to £10,000 is in line with other local authorities and a more proportionate figure, having regard to the current levels of Council Tax and Business Rate bills. This will make the write off process more efficient and allow members to concentrate on the significant debts. Removed the specific reference to a recommendation of a “Head of Service” as the Head of Service for Revenues & Benefits and Finance is the S151 officer. Amounts written off are reported in the Council’s accounts and so I have suggested removing the need to report totals in an open report.
Part 4, Section 32 - Financial Regulations	Page 4-32-14 Paragraph 8.17	Delete text in red and insert text in bold : “For debts over £2,500 £10,000 , outstanding amounts may, on recommendation of the S151 Officer, be referred to the Cabinet for consideration for write-off.”	Consequential action arising from above recommended changes (financial regulations - paragraph 8.16).
Part 4, Section 32 - Financial Regulations	Page 4-32-23 Annex	Delete text shown in red and insert text shown in bold : “Values Referred to within Financial Regulations - Paragraph 8.16 - Maximum individual debt that can be written off by the Section 151 Officer £2,500 £10,000. ”	Consequential amendment arising from above recommended changes (financial regulations - paragraph 8.16).
Part 2, Section 8 - Joint Arrangements	Page 2-8-2	Insert new wording after paragraph 8.5: “8.6 Joint Health Scrutiny Arrangements 8.6.1 The Council has agreed a Code of Joint Working between the District Council and Staffordshire County Council in relation to Overview and Scrutiny of health matters.	To ensure the Council’s current joint working arrangements are accurately reflected in the Constitution.

Part / Section to be Reviewed	Pages and Paragraphs to be Reviewed	Proposed Wording to be Inserted / Deleted / Amended	Reasons for Requesting Review
		<p>8.6.2 In accordance with the agreed code:</p> <p>(a) the County Council shall discharge the overview and scrutiny function under the Health and Social Care Act 2001 and subsequent guidance including the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.</p> <p>(b) the Chair of the Health, Wellbeing and the Community Scrutiny Committee will be appointed to Staffordshire County Council's Health and Care Overview & Scrutiny Committee.</p> <p>(c) the County Council is entitled to appoint one of its members to the Health, Wellbeing, and the Community Scrutiny Committee in relation to health matters.</p> <p>8.7 Shared Services with Stafford Borough Council</p> <p>8.7.1 In April 2023, the Council approved a Framework Agreement with Stafford Borough Council to enable the sharing of staffing resource across both authorities ("shared services").</p> <p>8.7.2 Under section 101 of the Local Government Act 1972, and section 9EA of the Local Government Act 2000, a local authority may arrange for the discharge of any of its functions by any other local authority. Cabinet and Council agreed to delegate authority to Stafford Borough Council to discharge the Council's functions in respect of Economic Development and Planning, Operations, Transformation and Assurance (Human</p>	

Part / Section to be Reviewed	Pages and Paragraphs to be Reviewed	Proposed Wording to be Inserted / Deleted / Amended	Reasons for Requesting Review
		<p>Resources and Technology) and Law and Governance. The Council also agreed to accept delegated authority from Stafford Borough Council to discharge that Councils functions in respect of Regulatory Services, Wellbeing, Housing and Corporate Asset Management, Finance and Transformation and Assurance. It was also agreed that those functions would be delegated to officers in accordance with the Councils scheme of delegation to officers.</p> <p>8.7.3 Under section 113 of the Local Government Act 1972, a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter authority the services of staff employed by the former authority. In April 2023, both Councils agreed to place its officers at the disposal of the other Council for the purpose of delivering any services shared between them.</p> <p>8.7.4 By virtue of the above, the functions delegated to the Council by Stafford Borough Council can be carried out by officers under the Councils scheme of delegation regardless of whether the officer is employed by the Council or by Stafford Borough Council.”</p>	
Part 2, Section 12 - Review and Revision of the Constitution	Page 2-12-1 Paragraph 12.2(b)	<p>Delete text in red and insert text in bold:</p> <p>“Where the Council has approved a document forming part of the Constitution such as the Members’ Allowance Scheme, Procedure Rules, Codes of Conduct or has added to or amended delegations, these will be incorporated into the Constitution without further resort to the Council. Where there are changes to the Management Structure, or legislation, the Council’s</p>	To enable the Monitoring Officer to update legislative references throughout the Constitution as and when they arise throughout the year.

Part / Section to be Reviewed	Pages and Paragraphs to be Reviewed	Proposed Wording to be Inserted / Deleted / Amended	Reasons for Requesting Review
		Monitoring Officer and Solicitor is authorised to make consequential amendments to the Scheme of Delegations Constitution without further resort to the Council.”	
Part 2, Section 36 - Gifts and Hospitality Protocol for Members	Page 5-36-1 Paragraph 1.2	Delete text in red and insert text in bold : “The law on the acceptance of gifts and hospitality is set out in the Authority’s Code of Conduct for Members and in the Prevention of Corruption Acts Bribery Act 2010. ”	To reflect correct legislative reference.
Part 2, Section 36 - Gifts and Hospitality Protocol for Members	Page 5-36-2 Paragraph 2(a)	Delete text in red and insert text in bold : “ The Public Bodies (Corrupt Offences) Act 1889 The Bribery Act 2010 provides that if you accept any financial gift, loan, fee, reward or other advantage whatsoever as an inducement to or reward for doing or forbearing to do anything in respect of the improper performance of any activity any matter or transaction in which the Authority is concerned, you commit a criminal offence carrying a maximum term of imprisonment of ten seven years.”	To reflect correct legislative references.
Part 2, Section 36 - Gifts and Hospitality Protocol for Members	Page 5-36-5 Paragraph 4.1	Delete text in red and insert text in bold : “Where you accept any gift or hospitality which you estimate to have a market value or cost or provision of £25 £50 or greater, you must make a declaration in writing to the Monitoring Officer, setting out the information set out in paragraph 3.(b), above, within 28 days of receipt.”	To ensure the monetary values included in the Protocol align with those set out in the national Code of Conduct for Members.
Part 2, Section 36 - Gifts and Hospitality Protocol for Members	Page 5-36-6 Paragraph 4.2	Delete text in red and insert text in bold : “Even if the value of the gift or hospitality is less than £25 £50 , if you are concerned that its acceptance might be misinterpreted, and particularly where it comes from a contractor or tenderer, you may make a voluntary	To ensure the monetary values included in the Protocol align with those set out in the national Code of Conduct for Members.

Part / Section to be Reviewed	Pages and Paragraphs to be Reviewed	Proposed Wording to be Inserted / Deleted / Amended	Reasons for Requesting Review
		declaration in the same manner to ensure that there is nothing secret or underhand about the gift or hospitality.”	
Part 2, Section 36 - Gifts and Hospitality Protocol for Members	Page 5-36-6 Paragraph 6	Delete text in red and insert text in bold : “The Chair and Vice-Chair of the Council may accept gifts or hospitality over £25 received by them by virtue of their office, in accordance with the principles of this protocol . They shall determine whether such gifts are personal or to be donated to their Charity Fund or to the Council. The Managing Director’s office shall record all gifts over £50 in writing on the forms enclosed with Protocol whether personal or otherwise on a register which shall be kept by the Monitoring Officer. Such declarations are to be with the Monitoring Officer 28 after receipt of the gift/hospitality.”	To clarify that any gifts/hospitality received must still comply with the normal principles for member accepting gifts/hospitality, but that they should also consider whether they are personal or whether they are donations to the Charity Fund/Council. The duty to register any gifts over £50 is in line with the national policy
Part 4, Section 27 - Council Procedure Rules	Page 4-27-3 Paragraph 4A.(o)	Delete text in red and insert text in bold : “To appoint representatives to outside bodies provided that Group Leaders have submitted their nominations to the Proper Officer at least 48 hours prior to the commencement of the Annual Meeting. The submitted nominations shall be circulated to Members of the Council at the meeting at least 24 hours prior to the meeting and no amendments shall be permitted once the nominations are received by the Proper Officer.”	To align the timescales for circulation of proposed outside bodies nominations and proposed committees appointments in advance of the Annual Council meeting.
Part 4, Section 27 - Council Procedure Rules	Page 4-27-4	Insert new paragraph 4D.: “Petitions (a) At a meeting of the Council any member of the Council may present a petition to the Chair. The petition must be signed by at least 10 residents of the District, other than members of the Council (to assist with the verification of their status as residents, petitioners must print their name and address). The	To include within the Constitution the process for how petitions are received by the Council.

Part / Section to be Reviewed	Pages and Paragraphs to be Reviewed	Proposed Wording to be Inserted / Deleted / Amended	Reasons for Requesting Review
		<p>Member presenting the petition shall satisfy themselves that the petition complies with this rule.</p> <p>(b) A petition may be on any matter related to the Council's functions except an application for any licence, permission or certificate to be considered under the Council's regulatory functions.</p> <p>(c) A Member wishing to present a petition shall give notice of their intention to do so to the Head of Law & Governance or the person presiding at the meeting before the start of the meeting at which they wish to present it.</p> <p>(d) On presentation of a petition the Member may read out or summarise the request of the petition, indicate the number of and description of the signatories but may not otherwise speak.</p> <p>(e) A petition properly presented under this rule shall be reported to the appropriate Cabinet Portfolio Leader for consideration."</p>	
Part 4, Section 28 - Access to Information Procedure Rules	Page 4-28-3 Paragraph 8.4	<p>Delete text in red and insert text in bold:</p> <p>“Part 2: Qualifications</p> <p>8.4.8 Information falling within 8.4.3 above is not exempt by virtue of that paragraph if it is required to registered under:</p> <p>(a) The Companies Acts 1985 (as defined in Section 2 of the Companies Act 2006).</p> <p>(b) The Friendly Societies Act 1974.</p> <p>(c) The Friendly Societies Act 1992.</p> <p>(d) The Industrial and Provident Societies Acts 1965 to 1978.</p> <p>(d) The Co-operative and Community Benefit Societies Act 2014.</p>	To reflect correct legislative references.

Part / Section to be Reviewed	Pages and Paragraphs to be Reviewed	Proposed Wording to be Inserted / Deleted / Amended	Reasons for Requesting Review
		<p>(e) The Building Societies Act 1986, or (f) The Charities Act 1993 2011.</p> <p>8.4.9 Information is not exempt if it is held by the Council in its capacity as local planning authority and relates to proposed developments for which the local planning authority may grant itself planning permission (or permission in principle) pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.”</p>	

Tracked Changes Amendments to the Constitution

**Section 8
Joint Arrangements**

8.6 Joint Health Scrutiny Arrangements

8.6.1 The Council has agreed a Code of Joint Working between the District Council and Staffordshire County Council in relation to Overview and Scrutiny of health matters.

8.6.2 In accordance with the agreed code:

(a) the County Council shall discharge the overview and scrutiny function under the Health and Social Care Act 2001 and subsequent guidance including the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.

(b) the Chair of the Health, Wellbeing and the Community Scrutiny Committee will be appointed to Staffordshire County Council's Health and Care Overview & Scrutiny Committee.

(c) the County Council is entitled to appoint one of its members to the Health, Wellbeing and the Community Scrutiny Committee in relation to health matters.

8.7 Shared Services with Stafford Borough Council

8.7.1 In April 2023, the Council approved a Framework Agreement with Stafford Borough Council to enable the sharing of staffing resource across both authorities ("shared services").

8.7.2 Under section 101 of the Local Government Act 1972, and section 9EA of the Local Government Act 2000, a local authority may arrange for the discharge of any of its functions by any other local authority. Cabinet and Council agreed to delegate authority to Stafford Borough Council to discharge the Council's functions in respect of Economic Development and Planning, Operations, Transformation and Assurance (Human Resources and Technology) and Law and Governance. The Council also agreed to accept delegated authority from Stafford Borough Council to discharge that Council's functions in respect of Regulatory Services, Wellbeing, Housing and Corporate Asset Management, Finance and Transformation and Assurance. It was also agreed that those functions would be delegated to officers in accordance with the Council's scheme of delegation to officers.

8.7.3 Under section 113 of the Local Government Act 1972, a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter authority the services of staff employed by the former authority. In April 2023, both Councils agreed to place its officers at the disposal of the other Council for the purpose of delivering any services shared between them.

8.7.4 By virtue of the above, the functions delegated to the Council by Stafford Borough Council can be carried out by officers under the Council's scheme of delegation regardless of whether the officer is employed by the Council or by Stafford Borough Council."

Section 12

Review and Revision of the Constitution

12.2

- (b) Where the Council has approved a document forming part of the Constitution such as the Members' Allowance Scheme, Procedure Rules, Codes of Conduct or has added to or amended delegations, these will be incorporated into the Constitution without further resort to the Council. Where there are changes to the Management Structure, **or legislation**, the Council's Monitoring Officer and Solicitor is authorised to make consequential amendments to the ~~Scheme of Delegations~~ **Constitution** without further resort to the Council.

Section 17

Planning Control Committee

17.9 Functions

To carry out the following functions in accordance with the Codes of Conduct, Local Protocols and Planning Guidance:

- (i) determining applications made under the Town and Country Planning Acts (applications for planning permission, approval of reserved matters, listed building consent, conservation area consent, consent to display advertisements, certification of lawful use for development, ~~approval to fell or carry out work to trees which are the subject of Tree Preservation Orders (TPO)~~, applications for prior notification of agricultural, forestry, telecommunications development and demolition) other than those delegated to Officers under the Scheme of Delegation to Officers.
- (ii) making of comments on applications made to Staffordshire County Council and adjoining local planning authorities.
- (iii) enforcement of planning control.
- (iv) the **making confirmation** of Tree Preservation Orders **where there are unresolved objections**.
- (v) Providing 'screening' and 'scoping' opinions on behalf of the Council under the Terms of the Town and Country Planning (Environmental Impact Assessment) Regulations 1999.

Section 26

Scheme of Delegations

26.6 Head of Operations

Parks and Open Spaces

~~26.6.2—To make and (within the powers of the Council) confirm:~~

- ~~(a) emergency or temporary tree preservation orders (TPOs).~~

- ~~(b) to deal with any unopposed applications to lop, top or fell legally protected trees and trees within conservation areas, and give grant aid therefore pursuant to Council policy.~~
- ~~(c) determine applications to fell or do works to trees that are the subject of a TPO.~~
- ~~(d) make TPOs, and, where there are no objections, to confirm them when dealing with planning related matter; and~~
- ~~(e) to exercise powers to dispense with or to enforce the duty to replace trees which are subject to a TPO.~~

26.6.2

1. To make, vary, modify, revoke (and confirm unless there are substantial unresolved objectives) tree preservation orders (TPOs) under section 198 of the Town and Country Planning Act 1990 (as amended).
2. To determine applications made under TPOs and determine notifications made in respect of trees in Conservation Areas (S211 notices).
3. To exercise all powers in relation to the duty to replace trees protected by TPO or within Conservative Areas.
4. To deal with any appeals in relation to the determination of TPO applications.
5. To exercise all powers relating to countryside hedgerows as set out in the Hedgerows Regulations 1997 and the Environment Act 1995.

26.7 Head of Regulatory Services

Building Control

26.7.19 To sign and serve notices under the following sections of the Building Act 1984:

- (a) Section 32 - Lapse of deposit plans
- (b) Section 35B - Compliance Notices**
- (c) Section 35C - Stop Notices**
- (d) Section 36 - Removal or alteration of offending work
- (e) Section 73 - Raising of chimney

Section 27

Council Procedure Rules

4A. Order of Business - Annual Meeting

- (o) To appoint representatives to outside bodies provided that Group Leaders have submitted their nominations to the Proper Officer at least 48 hours prior to the commencement of the Annual Meeting. The submitted nominations shall be circulated to Members of the Council ~~at the meeting~~ **at least 24 hours prior to the meeting** and no amendments shall be permitted once the nominations are received by the Proper Officer.

4D. Petitions

- (a) At a meeting of the Council any member of the Council may present a petition to the Chair. The petition must be signed by at least 10 residents of the District, other than members of the Council (to assist with the verification of their status as residents, petitioners must print their name and address). The Member presenting the petition shall satisfy themselves that the petition complies with this rule.
- (b) A petition may be on any matter related to the Council's functions except an application for any licence, permission or certificate to be considered under the Council's regulatory functions.
- (c) A Member wishing to present a petition shall give notice of their intention to do so to the Head of Law & Governance or the person presiding at the meeting before the start of the meeting at which they wish to present it.
- (d) On presentation of a petition the Member may read out or summarise the request of the petition, indicate the number of and description of the signatories but may not otherwise speak.
- (e) A petition properly presented under this rule shall be reported to the appropriate Cabinet Portfolio Leader for consideration.

Section 28

Access to Information Procedure Rules

8.4.2

Part 2: Qualifications

8.4.8 Information falling within 8.4.3 above is not exempt by virtue of that paragraph if it is required to be registered under:

- (a) The Companies Acts ~~1985~~ **(as defined in Section 2 of the Companies Act 2006)**.
- (b) The Friendly Societies Act 1974.
- (c) The Friendly Societies Act 1992.
- ~~(d) The Industrial and Provident Societies Acts 1965 to 1978.~~
- (d) The Co-operative and Community Benefit Societies Act 2014.**
- (e) The Building Societies Act 1986, or
- (f) The Charities Act ~~1993~~ **2011**.

8.4.9 Information is not exempt if it is held by the Council in its capacity as local planning authority and relates to proposed developments for which the local planning authority may grant itself planning permission **(or permission in principle)** pursuant to regulation 3 of the Town and Country Planning General Regulations 1992."

Section 32

Financial Regulations

8. Fees & Charges and Income Collection

8.16 Where debts are due and have been actively pursued, but remain unpaid, the Section 151 Officer is authorised to write-off bad debts up to ~~£2,500~~ **£10,000** on recommendation of the appropriate ~~Head of Service~~ **Service Manager**. ~~The~~

~~Section 151 Officer will report to Cabinet the number and value of debts written off in this way.~~

- 8.17 For debts over ~~£2,500~~ **£10,000**, outstanding amounts may, on recommendation of the S151 Officer, be referred to the Cabinet for consideration for write-off.

Annex

Values Referred to within Financial Regulations

Paragraph	Item	Value
8.16	Maximum individual debt that can be written off by the Section 151 Officer.	£2,500 £10,000

Section 36

Gifts and Hospitality Protocol for Members

- 1.2 The law on the acceptance of gifts and hospitality is set out in the Authority's Code of Conduct for Members and in the ~~Prevention of Corruption Acts~~ **Bribery Act 2010**.
- 2(a) ~~The Public Bodies (Corrupt Offences) Act 1889~~ **The Bribery Act 2010** provides that if you accept any **financial gift, loan, fee, reward** or other advantage whatsoever as an inducement to or reward for doing or forbearing to do anything in respect of **the improper performance of any activity any matter or transaction** in which the Authority is concerned, you commit a criminal offence carrying a maximum term of imprisonment of **ten seven** years.
- 4.1 Where you accept any gift or hospitality which you estimate to have a market value or cost or provision of ~~£25~~ **£50** or greater, you must make a declaration in writing to the Monitoring Officer, setting out the information set out in paragraph 3.(b), above, within 28 days of receipt.
- 4.2 Even if the value of the gift or hospitality is less than ~~£25~~ **£50**, if you are concerned that its acceptance might be misinterpreted, and particularly where it comes from a contractor or tenderer, you may make a voluntary declaration in the same manner to ensure that there is nothing secret or underhand about the gift or hospitality.
6. The Chair and Vice-Chair of the Council may accept gifts or hospitality ~~over £25~~ received by them by virtue of their office, **in accordance with the principles of this protocol**. They shall determine whether such gifts are personal or to be donated to their Charity Fund or to the Council. The Managing Director's office shall record all gifts **over £50** in writing on the forms enclosed with Protocol whether personal or otherwise on a register which shall be kept by the Monitoring Officer. Such declarations are to be with the Monitoring Officer 28 after receipt of the gift/hospitality.

Annual Treasury Management Report 2022-23

Committee:	Audit and Governance Committee Council
Date of Meeting:	21 March 2024 17 April 2024
Report of:	Deputy Chief Executive-Resources & S151 Officer

1 Purpose of Report

- 1.1 To update members on treasury management activity and performance during the 2022/23 financial year.

2 Recommendations

- 2.1 To note the annual treasury management report for 2022/23; and
- 2.2 To approve the actual 2022/23 prudential and treasury indicators set out in Appendix 1.

Reasons for Recommendations

- 2.3 The Council is required to receive reports and approve information on treasury management activity during the year.

3 Key Issues

- 3.1 Treasury management activity and performance report during the 2022/23 financial year.

4 Relationship to Corporate Priorities

- 4.1 Treasury management and investment activity link in with all of the Council's priorities and their spending plans.

5 Report Detail

Background

- 5.1 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 2022/23. 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).

- 5.2 During 2022/23, the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year,
 - a mid-year (minimum) treasury update report, and
 - an annual review following the end of the year describing the activity compared to the strategy (this report).
- 5.3 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.
- 5.4 This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit and Governance Committee before they were reported to the full Council. Training has been undertaken by members of the Audit and Governance Committee and further training will be arranged as required.

The Council's Capital Expenditure and Financing

- 5.5 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 resources, the capital expenditure will give rise to a borrowing need.
- 5.6 The actual capital expenditure forms one of the required prudential indicators. This is detailed in the Appendix.

The Council's Overall Borrowing Need

- 5.7 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 2022/23 unfinanced capital expenditure, 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 2022/23 MRP Policy, (as required by DLUHC Guidance), was approved as part of the Treasury Management Strategy Report for 2022/23 on 1st February 2022.

The Council's CFR for the year is shown in the Appendix and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need.

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

- 5.8 **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 (2022/23) plus the estimates of any additional capital financing requirement for the current (2023/24) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator would have allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2022/23. The table in **APPENDIX 1** highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.
- 5.9 **The authorised limit** - the authorised limit is the "affordable borrowing limit" determined in compliance with section 3 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 in **APPENDIX 1** demonstrates that during 2022/23 the Council has maintained gross borrowing within its authorised limit.
- 5.10 **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.
- 5.11 **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.

Treasury Position as at 31st March 2023

5.12 The Council's treasury management debt and investment position is organised by the Treasury Team 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 end of 2022/23 the Council's treasury, (excluding borrowing by PFI and finance leases), position was as follows:

	31 March 2022 Principal £'000	Rate/ Return (%)	Average Life (yrs.)	31 March 2023 Principal £'000	Rate/ Return (%)	Average Life (yrs.)
Total debt (PWLB)	81,605	3.98	34	81,605	3.98	34
CFR	91,076			90,575		
Over / (under) borrowing	-9,471			-8,970		
Total investments	59,500	0.13	0.12	56,800	2.06	0.08
Short term borrowing	0			0		
Net investments	59,500			56,800		
Net debt	22,105			24,805		

5.12.1 The following table sets out the Council's investments held and their respective rate of returns at 31st March 2023:

Counterparty	Start Date	End Date	Value (£)	Rate %
Al Rayan Bank Plc	20/03/2023	20/09/2023	4,000,000	4.50
National Bank of Kuwait	23/03/2023	24/04/2023	2,000,000	4.15
Helaba Bank	20/03/2023	03/04/2023	4,000,000	4.00
National Bank of Kuwait	20/03/2023	20/04/2023	4,000,000	4.10
Al Rayan Bank Plc	15/02/2023	15/05/2023	2,000,000	4.05
Helaba Bank	23/03/2023	24/04/2023	1,500,000	4.22
Santander (180 days)	Call (Notice Account)		3,500,000	3.76
Svenska Handelsbanken	Call Account		6,000,000	1.85
Aberdeen GBP Liquidity Class L1	Money Market Fund		8,000,000	4.06
Deutsche Managed GBP LVNAV Platinum	Money Market Fund		9,000,000	4.16
Federated Hermes Short-Term GBP Prime Class 3	Money Market Fund		3,800,000	4.09
Morgan Stanley GBP Liquidity Institutional Plus	Money Market Fund		9,000,000	4.16
Total Investments			56,800,000	

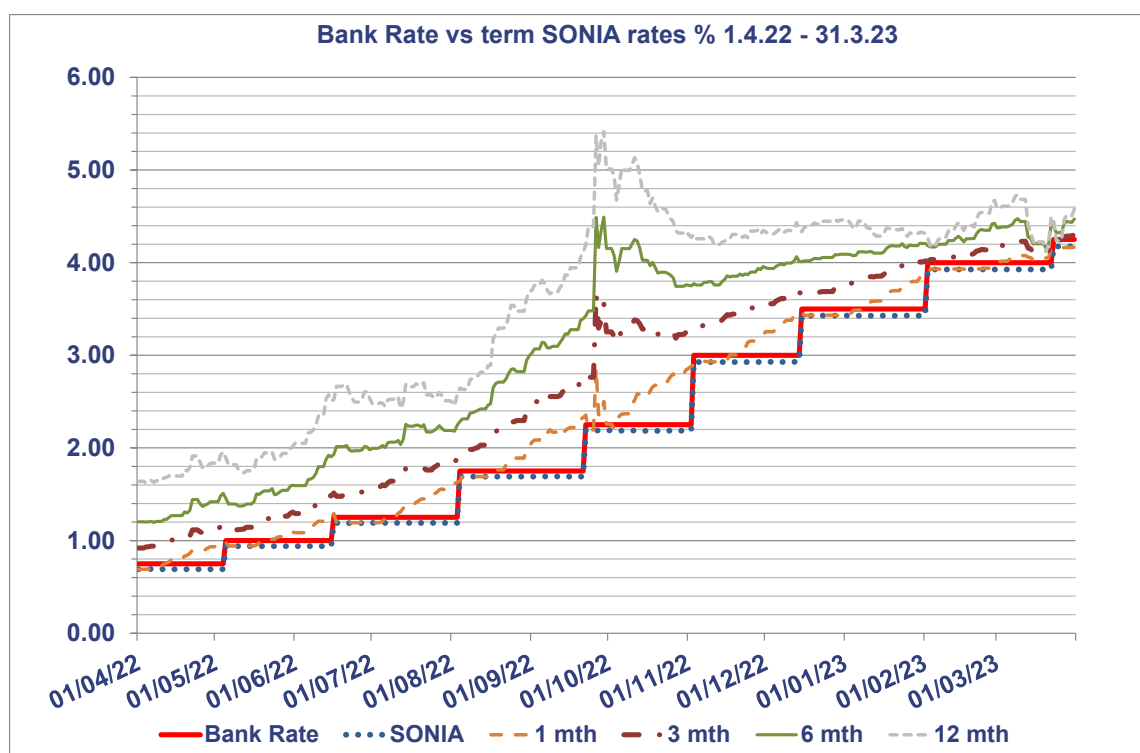
5.12.2 The table below sets out the maturity profile of the external debt held by the Council.

Debt Maturity Profile	31-Mar-22	2022/23	31-Mar-23
	Actual	original limits	Actual
	£m	£m	£m
Under 12 months	0	0	0
12 months and within 24 months	0	1.40	1.40
24 months and within 5 years	4.40	3.00	3.00
5 years and within 10 years	3.00	3.00	3.00
10 years and within 20 years	9.60	9.60	9.60
20 years and within 30 years	0	0	0
30 years and within 40 years	64.605	64.605	64.605
40 years and within 50 years	0	0	0
Total Debt	81.605	81.605	81.605

5.13 All investments in the portfolio have a maturity of under 1 year.

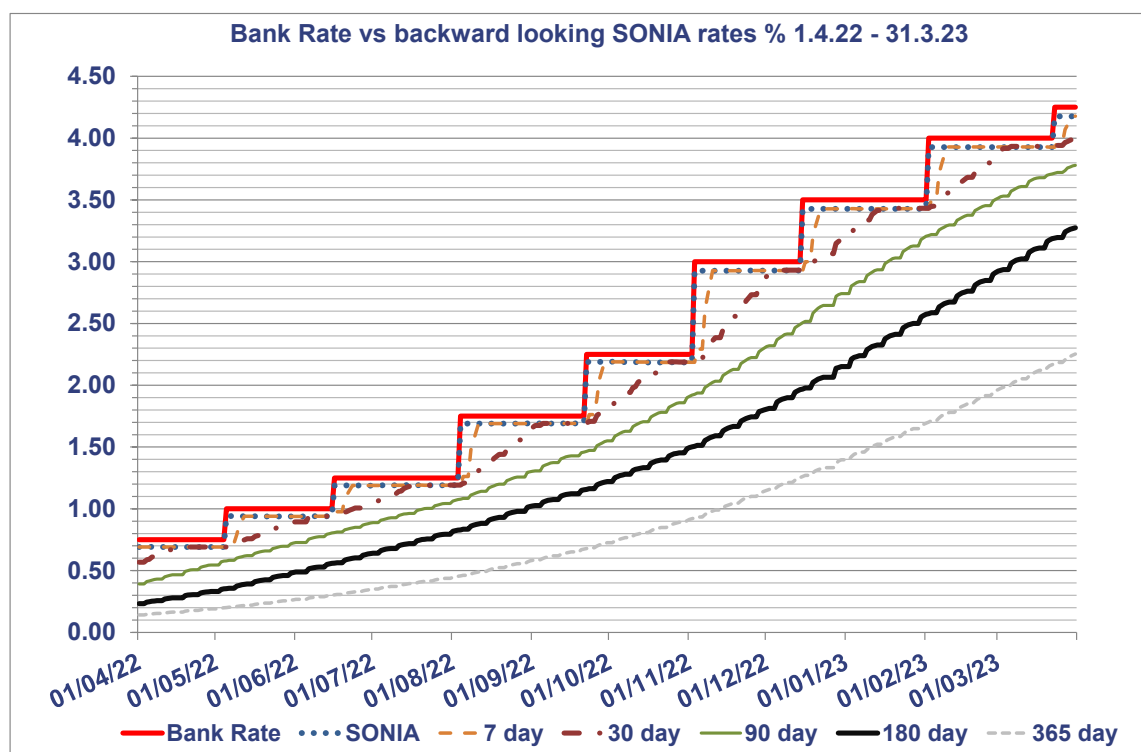
Investment strategy and control of interest rate risk

Investment Benchmarking Data – Sterling Overnight Index Averages (Term) 2022/23



FINANCIAL YEAR TO QUARTER ENDED 31/3/2023						
	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	4.25	4.18	4.17	4.30	4.49	5.41
High Date	23/03/2023	31/03/2023	31/03/2023	31/03/2023	29/09/2022	29/09/2022
Low	0.75	0.69	0.69	0.92	1.20	1.62
Low Date	01/04/2022	28/04/2022	01/04/2022	01/04/2022	07/04/2022	04/04/2022
Average	2.30	2.24	2.41	2.72	3.11	3.53
Spread	3.50	3.49	3.48	3.38	3.29	3.79

Investment Benchmarking Data – Sterling Overnight Index Averages (Backward-looking) 2022/23



FINANCIAL YEAR TO QUARTER ENDED 31/03/2023							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	4.25	4.18	4.18	4.00	3.78	3.27	2.25
High Date	23/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023
Low	0.75	0.69	0.69	0.57	0.39	0.23	0.14
Low Date	01/04/2022	28/04/2022	29/04/2022	01/04/2022	01/04/2022	01/04/2022	01/04/2022
Average	2.30	2.24	2.20	2.09	1.81	1.42	0.90
Spread	3.50	3.49	3.49	3.43	3.39	3.04	2.11

- 5.14 Investment returns picked up throughout the course of 2022/23 as Central Banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy were required.

At the time of writing, the Bank of England has opted to increase Bank Rate on 14 successive occasions, starting around mid-December 2021. At the beginning of April 2022, Bank Rate was set at 0.75% and moved up in stepped increases of either 0.25% or 0.5% thereafter, reaching 4.25% by the end of 2022/23 and to the current 5.25% in October 2023.

Against this backdrop of market volatility, the sea-change in investment rates meant local authorities were faced with the challenge of proactive investment of surplus cash for the first time in over a decade. This emphasised the need for a detailed working knowledge of cashflow projections, so that the appropriate balance between the conflicting needs for security and liquidity of funds whilst maximising the return on investments could be struck. The Council's Treasury Team were able to achieve such balance through the diversification of different financial assets and other interest-bearing instruments, and "rode the yield curve" with fixed-term deposits by adopting shorter durations on a rolling basis in order

to lock-in the increase in investment rates whilst maintaining the security of investment.

With bond markets selling off, equity valuations struggling to make progress and, latterly, property funds enduring a wretched Q4 2022, the more traditional investment options, such as specified investments (simple to understand, and less than a year in duration) became more actively used.

Meantime, through the autumn, and then in March 2023, the Bank of England maintained various monetary policy easing measures as required to ensure specific markets, the banking system and the economy had appropriate levels of liquidity at times of stress.

- 5.15 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 5.16 Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

Borrowing strategy and control of interest rate risk

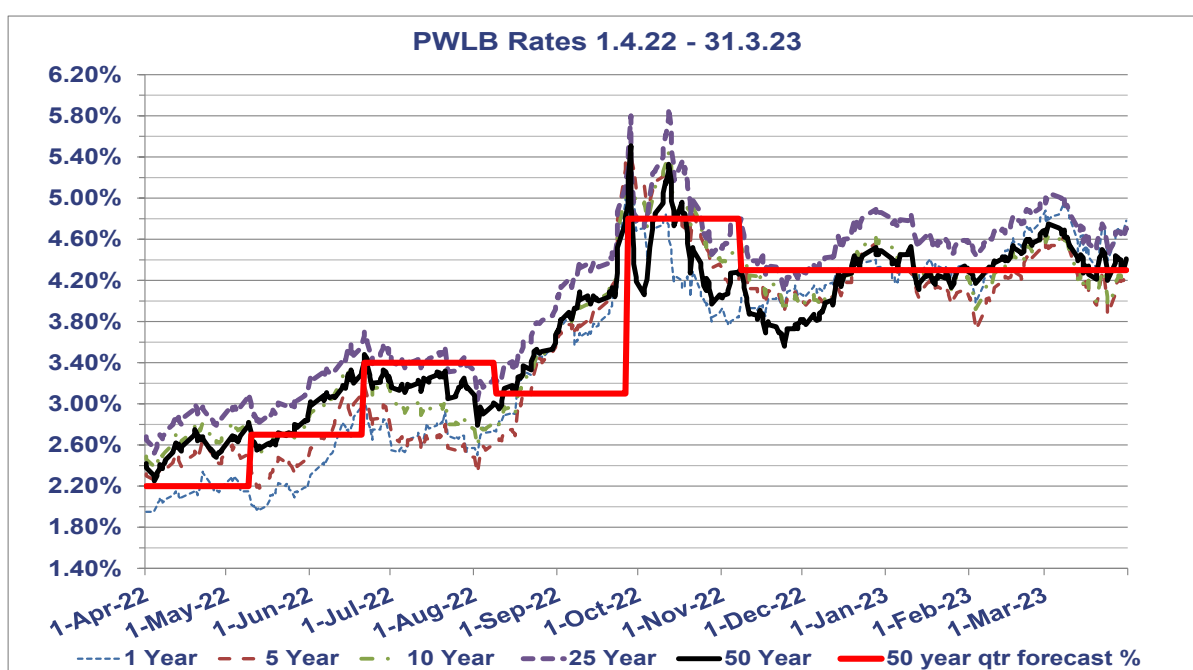
- 5.17 During 2022/23, the Council maintained an under-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 5.18 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost - the difference between (higher) borrowing costs and (lower) investment returns.
- 5.19 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.
- 5.20 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The S151 Officer and Deputy Chief Executive (Resources) 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.

5.21 Interest rate forecasts were initially suggesting only gradual rises in short, medium, and longer-term fixed borrowing rates during 2022/23 but by August it had become clear that inflation was moving up towards 40-year highs, peaking around 11% in October 2022. As described above, the Bank of England adopted a short-term monetary policy tightening at every Monetary Policy Committee meeting during 2022 and into 2023, either by increasing Bank Rate by 0.25% or 0.5% each time until September 2023, in order to control the rampant rise of inflation. At the time of writing, the current CPI measure of inflation is still above 6% in the UK but is expected to fall back towards 4% by year-end. Nonetheless, there remain significant risks to that central forecast.

Link Group Interest Rate View		7.2.22											
		Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE		1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month ave earnings		1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month ave earnings		1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month ave earnings		1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB		2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB		2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB		2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB		2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

PWLB RATES 2022/23

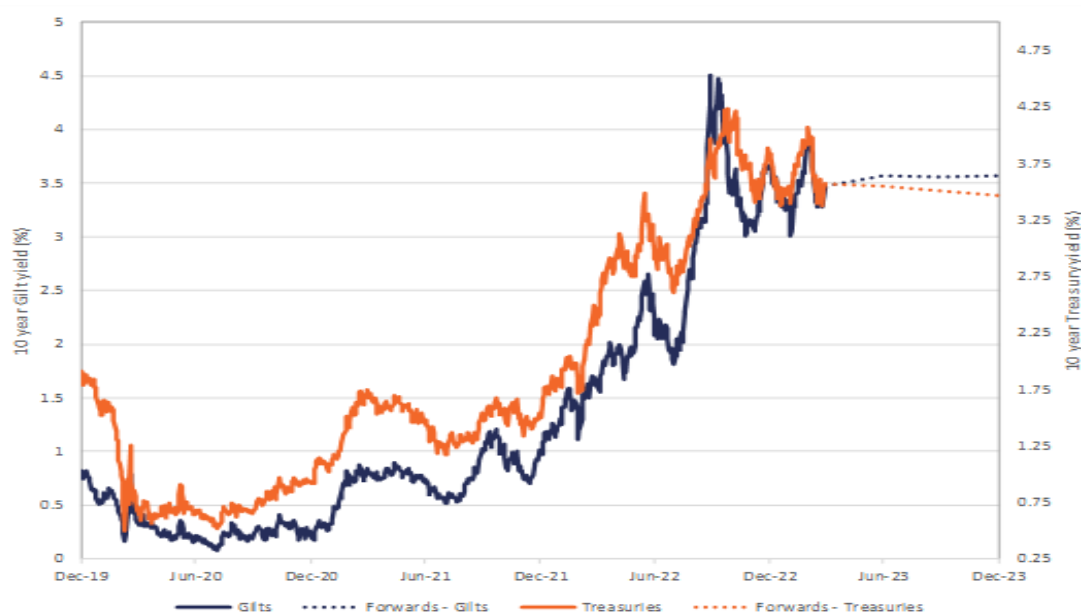


- 5.22 PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc.

This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the Federal Open Market Committee, European Central Bank and Bank of England are all being challenged by persistent inflation that is exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.

Graph of UK gilt yields v. US treasury yields



- 5.23 Gilt yields have been on a continual rise since the start of 2021, peaking in the autumn of 2022. Currently, yields are broadly range bound between 3% and 4.25%.
- 5.24 At the close of the day on 31 March 2023, all gilt yields from 1 to 50 years were between 3.64% and 4.18%, with the 1 year being the highest and 6-7.5 years being the lowest yield.

5.25 Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows:

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

Borrowing Outturn

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

Investment Outturn

5.27 **Investment Policy** - the Council's investment policy is governed by DHLUC guidance, which has been implemented in the approved annual investment strategy. 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).

5.28 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

5.29 **Resources** - the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

Year End Resources	2021/22	2022/23
	Actual	Actual
	£'000	£'000
Earmarked Fund balances /reserves		
General Fund (GF)	18,124	18,541
General Fund working balance	1,424	1,941
Housing Revenue Account (HRA)	12,513	13,191
HRA working balance	1,832	1,983
Sub Total	33,893	35,656
Capital receipts:		
GF	6,397	6,286
HRA	3,787	5,370
Sub Total	10,184	11,656
Provisions	2,679	2,368
Major Repairs Reserve	6,870	8,606
Capital Grants Unapplied GF	4,760	3,606
Other - Grants Receipts In Advance	1,905	2,392
Total core funds	60,291	64,284

5.30 **Investments held by the Council:**

- The Council maintained an average balance of £60.2m of internally managed funds.

- The internally managed funds earned an average annualised rate of return of 2.06%.
- Total investment income was £1,236,881.17 compared to a budget of £650,0000.

6 Implications

6.1 Financial

Included in this report.

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

None

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1: Prudential and Treasury Management Indicators

Appendix 2: Investment Analysis

8 Previous Consideration

None

9 Background Papers

Held in Finance.

Contact Officer: Emma Fullagar

Telephone Number: 01543 464 720

Report Track: Audit and Governance Committee: 21/03/24

Council: 17/04/24

Annual Treasury Management Report 2022/23

1. PRUDENTIAL INDICATORS	2021/22 Actual £'000	2022/23 Estimate £'000	2022/23 Actual £'000
Capital Expenditure (HRA)	5,262	10,290	3,726
Capital Expenditure (GF)	3,131	13,390	2,696
Notional Capital expenditure – Finance Leases			
Ratio of financing costs to net revenue stream (HRA)	16.69%	16.09%	15.96%
Ratio of financing costs to net revenue stream (GF)	3.76%	2.6%	-4.90%
Gross borrowing requirement (GF) - Finance Leases	228	223	223
Gross debt	81,828	81,605	81,605
Capital Financing Requirement as at 31 March (HRA)	82,475	82,468	82,475
Capital Financing Requirement as at 31 March (GF)	8,601	8,194	8,100
Annual change in Cap. Financing Requirement (HRA)	-11	-7	0
Annual change in Cap. Financing Requirement (GF)	-518	-407	-502

2 TREASURY MANAGEMENT INDICATORS	2021/22 Actual £'000	2022/23 Estimate £'000	2022/23 Actual £'000
Authorised Limit for external debt -	103,334	103,714	102,075
Operational Boundary for external debt	91,834	92,214	90,575
Actual external debt	81,828		81,605

Maturity structure of fixed rate borrowing during 2022/23	upper limit	lower limit
under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Annual Treasury Management Report 2022/23

The following table sets out an analysis of investments held 31st March 2023 (together with a comparator at 31st March 2022).

INVESTMENT PORTFOLIO	Actual 31.3.22	Actual 31.3.22 %	Actual 31.3.23	Actual 31.3.23 %
Money Market Funds	£29.0m	49%	£29.8m	52%
Banks	£30.5m	51%	£27.0m	48%
Local authorities	£0m	0%	£0m	0%
TOTAL TREASURY INVESTMENTS	£59.5m	100%	£56.8m	100%

Treasury Management Mid-Year Report 2023/24

Committee: Audit and Governance Committee
Council

Date of Meeting: 21 March 2024
17 April 2024

Report of: Deputy Chief Executive-Resources & S151 Officer

1 Purpose of Report

- 1.1 To update members on Treasury Management activity and performance during the first half of the 2023/24 financial year.
- 1.2 To provide an economic update and a background to the latest economic forecasts of interest rates. Both are detailed in the **APPENDIX**.

2 Recommendations

- 2.1 To note the report, the treasury activity, and the Prudential Indicators for 2023/24.

Reasons for Recommendations

- 2.2 The treasury management strategy sets out the activity for the year and update reports are required to be produced during the year.

3 Key Issues

- 3.1 To report the Treasury Management activity and performance during the first half of the 2023/24 financial year.

4 Relationship to Corporate Priorities

- 4.1 Treasury Management and investment activity link in with all of the Council's priorities and their spending plans.

5 Report Detail

Background

5.1 Capital Strategy

In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2020/21, all local authorities have been required to prepare a Capital Strategy which is to provide the following:

- a high-level overview of how capital expenditure, capital financing and Treasury Management activity contribute to the provision of services.
- an overview of how the associated risk is managed.
- the implications for future financial sustainability.

This strategy is in the process of being updated and will come to a future meeting of the Audit & Governance committee and Council.

5.2 Treasury Management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Accordingly, a significant function of Treasury Management is ensuring that cash flows are adequately planned and controlled to meet this objective. Any surplus monies are invested with low-risk counterparties, and managed appropriately so that sufficient levels of liquid cash are available to meet any payment obligations as well as offer headroom for unexpected circumstances. Such considerations underpin the day-to-day operations of Treasury Management when determining investment-related outcomes rather than the sole factor of yield that aims to generate higher return on investments with little or no regards to financial risks.

5.3 The second main function of the Treasury Management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

5.4 Accordingly, CIPFA defines "Treasury Management" as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Introduction

5.5 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021).

The primary requirements of the Code are as follows:

- 1 Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities.
- 2 Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- 3 Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
- 4 Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions.
- 5 Delegation by the Council of the role of scrutiny of Treasury Management strategy and policies to a specific named body. For this Council, the delegated body is the Cabinet.

- 5.6 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
- An economic update for the first part of the 2023/24 financial year.
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
 - The Council's capital expenditure, as set out in the Capital Strategy, and Prudential Indicators.
 - A review of the Council's investment portfolio for 2023/24.
 - A review of the Council's borrowing strategy for 2023/24.
 - A review of any debt rescheduling undertaken during 2023/24
 - A review of compliance with Treasury and Prudential Limits for 2023/24.

Treasury Management Strategy Statement and Annual Investment Strategy Update

- 5.7 The Treasury Management Strategy Statement, (TMSS), for 2023/24 was approved by this Council on 1 March 2023. There has been no policy change since the TMSS came into force. All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

Prudential Indicator 2023/24	Original £'000	Revised £'000
Authorised Limit	103,338	102,360
Operational Boundary	91,838	90,860
Capital Financing Requirement	90,286	90,308

The Council's Capital Position (Prudential Indicators)

- 5.8 This part of the report is structured to update:
- The Council's capital expenditure plans.
 - How these plans are being financed.
 - The impact of the changes in the capital expenditure plans on the Prudential Indicators and the underlying need to borrow, and
 - Compliance with the limits in place for borrowing activity.

Prudential Indicator for Capital Expenditure

- 5.9 This table shows the estimates for capital expenditure and the changes since the capital programme was agreed at Budget time (updated for revised portfolios).

Capital Expenditure by Portfolio	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000
Resources & Transformation	0	21
Environment & Climate Change	80	94
Community Wellbeing	1,451	2,643
Housing	10	10
Parks, Culture & Heritage	668	1,812
Regeneration & High Streets	15	1,605
Non – HRA	2,224	6,185
HRA	12,772	7,250
Total	14,996	13,435

- 5.10 The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000
Total Spend	14,996	13,435
Financed by:		
Capital Receipts	1,992	696
Capital Grants/contributions	1,475	5,166
Major Repairs	10,980	6,862
Revenue	549	711
Total Financing	14,996	13,435
Borrowing Need	0	0

Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

- 5.11 The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicators - CFR and Operational Boundary

- 5.12 We are on target to achieve the original forecast Capital Financing Requirement.

	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000
Prudential Indicator – Capital Financing Requirement		
CFR – non housing	7,833	7,833
CFR – housing	82,453	82,475
Total CFR	90,286	90,308
Net movement in CFR		22
Prudential Indicator – the Operational Boundary for external debt		
Operational Boundary	91,838	90,860
Borrowing	81,605	81,605
Other long-term liabilities*		
Headroom	10,233	9,255

* On balance sheet finance leases etc.

Limits to Borrowing Activity

- 5.13 The first key control over the treasury activity is a Prudential Indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000
Borrowing	81,605	81,605
Other long-term liabilities*		
Total debt	81,605	81,605
CFR* (year-end position)	90,286	90,308

* Includes on balance sheet finance leases etc.

- 5.14 The section 151 officer reports that no challenges are envisaged for the current or future years in complying with this Prudential Indicator.
- 5.15 A further Prudential Indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

Authorised limit for external debt	2023/24 Original Estimate £'000	2023/24 Revised Estimate £'000
Authorised Limit	103,338	102,360
Borrowing	81,605	81,605
Other long-term liabilities*		
Headroom	21,733	20,755

* Includes on balance sheet finance leases etc.

Annual Investment Strategy 2023/24

- 5.16 In accordance with CIPFA's Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As shown in **APPENDIX 2** with the accompanying forecast interest rate in near time horizon, there is a relationship with inflation and interest rates. A rise in inflation will invariably lead to a rise in interests. The same wisdom holds true from the opposite situation. Holding true to this relationship, the persistent rise of inflation has correspondingly increased the Bank Rate. At the time of writing, the Bank of England has opted to increase Bank rate on 14 successive occasions, starting around mid-December 2021. At the beginning of April 2022, Bank Rate was set at 0.75% and moved up in stepped increases of

either 0.25% or 0.5% thereafter, reaching 4.25% by the end of 2022/23 and to the current 5.25% in October 2023.

In light of the Bank of England's Monetary Policy Committee's surprise decision in September 2023 to maintain bank rate at the current 5.25%, the view is that interest rates have reached their peak. Based on current market conditions and intelligence, it is anticipated that inflation will gradually decline which, in turn, will lead to a fall in Bank Rate. It is projected that Bank Rate to year-end will decrease from 5.25% to 4.00%. Against this backdrop of market volatility, the sea-change in investment rates meant local authorities were faced with the challenge of proactive investment of surplus cash for the first time in over a decade.

This emphasised the need for a detailed working knowledge of cashflow projections, so that the appropriate balance between the conflicting needs for security and liquidity of funds whilst maximising the return on investments could be struck. The Council's Treasury Team were able to achieve such balance through the diversification of different financial assets and other interest-bearing instruments, and "rode the yield curve" with fixed-term deposits by adopting shorter durations on a rolling basis in order to lock-in the increase in investment rates whilst maintaining the security of investment.

5.17 The Council held £57.3m of investments as at 30 September 2023 (£56.8m at 31 March 2023).

5.18 A full list of investments held as at 30 September 2023 is in **APPENDIX 1**.

Investment Counterparty criteria

5.19 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the Treasury Management function.

Borrowing

5.20 The Council's capital financing requirement (CFR) for 2023/24 is £90.296m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

5.21 It is not currently anticipated that borrowing will be undertaken during this financial year, subject to capital slippage into 2024-25 and the trajectory of borrowing rates for the remainder of 23/24.

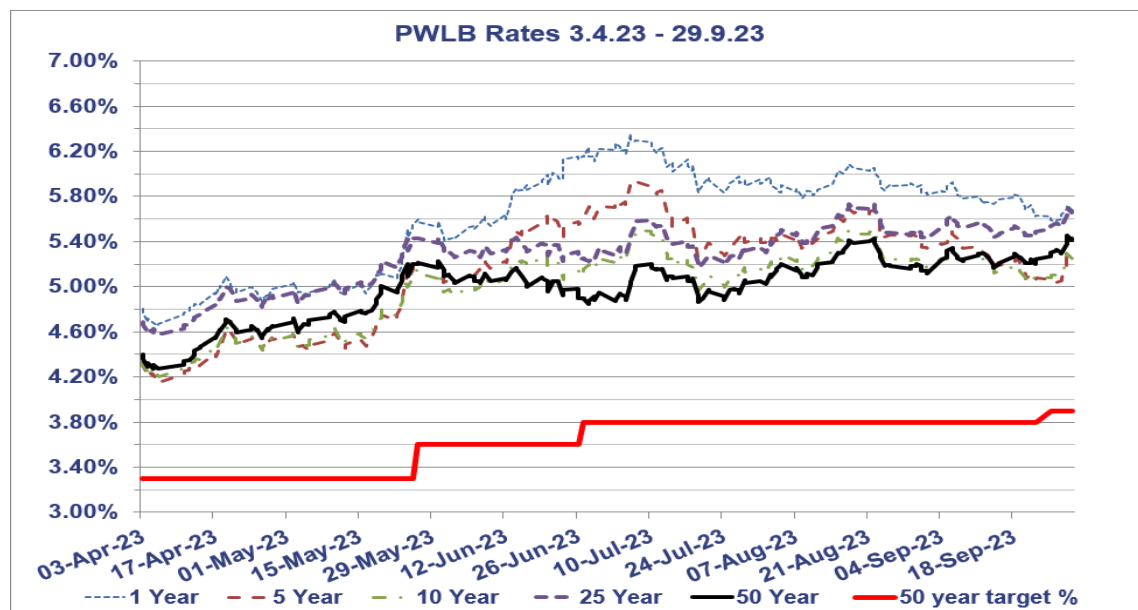
PWLB maturity certainty rates (gilts plus 80bps) year to date to 29th September 2023

5.22 Gilt yields and PWLB certainty rates were on a generally rising trend throughout the first half of 2023/24. At the beginning of April, the 5-year rate was the cheapest part of the curve and touched 4.14% whilst the 25-year rate was relatively expensive at 4.58%. July saw short-dated rates peak at their most expensive. The 1-year rate spiked to 6.36% and the 5-year rate to 5.93%. Although, in due course, short-dated rate expectations fell, the medium dates shifted higher through August and the 10-year rate pushed higher to 5.51% and the 25-year rate

to 5.73%. The 50-year rate was 4.27% on 5 April but rose to 5.45% on 28 September.

5.23 The Council’s external treasury advisors, Link Group, forecast rates to fall back over the next two to three years as inflation dampens. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and we forecast 50-year rates to stand at 3.90% by the end of September 2025. However, there is considerable gilt issuance to be digested by the market over the next couple of years, as a minimum, so there is a high degree of uncertainty as to whether rates will fall that far.

PWLB Rates 01.04.23 - 29.09.23



High/Low/Average PWLB Rates For 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

5.24 The current PWLB rates are set as margins over gilt yields as follows: -.

- PWLB Standard Rate is gilt plus 100 basis points (G+100bps)
- PWLB Certainty Rate (GF) is gilt plus 80 basis points (G+80bps)
- PWLB Local Infrastructure Rate is gilt plus 60 basis points (G+60bps)
- PWLB Certainty Rate (HRA) is gilt plus 40bps (G+40bps)

The UK Infrastructure Bank will lend to local authorities that meet its scheme criteria at a rate currently set at gilt plus 40bps (G+40bps).

6 Implications

6.1 Financial

Included in this Report.

6.2 Legal

None

6.3 Human Resources

None

6.4 Risk Management

None

6.5 Equalities and Diversity

None

6.6 Health

None

6.7 Climate Change

None

7 Appendices

Appendix 1: Current Investment List as at 30 September 2023.

Appendix 2: Economic Update (provided by Link Asset Services as of 30 September 2023)

Appendix 3: Interest Rate Forecast (provided by Link Asset Services as of 30 September 2023)

8 Previous Consideration

None

9 Background Papers

Held with Finance

Contact Officer: Emma Fullagar

Telephone Number: 01543 464 720

Report Track: Audit & Governance Committee: 21/03/24

Treasury Management Mid-Year Report 2023/24
Current Investment List and their respective rate of return as of
30 September 2023

Counterparty	Start Date	Maturity	Value (£)	Rate (%)
Al Rayan Bank Plc	15-May-23	15-Nov-23	2,000,000	4.80
National Bank of Kuwait	22-Aug-23	22-Feb-24	4,000,000	5.87
National Bank of Kuwait	19-Sep-23	19-Feb-24	2,000,000	5.70
Al Rayan Bank Plc	20-Sep-23	19-Feb-24	4,000,000	5.60
Santander (180 days)	**Call180		3,500,000	4.76
***Handelsbanken	***Call		6,000,000	2.60
***Bank of Scotland	***Call		4,050,000	5.14
Aberdeen GBP Liquidity Class L1	*MMF		2,450,000	5.29
Deutsche Managed GBP LVNAV Platinum	*MMF		3,300,000	5.22
Federated Hermes Short-Term GBP Prime Class 3	*MMF		8,000,000	5.35
Invesco Liquidity GBP Institutional	*MMF		9,000,000	5.33
Morgan Stanley GBP Liquidity Institutional Plus	*MMF		9,000,000	5.33
Total Investments			57,300,000	

*MMF - Money Market Fund (Instant Access)

**Call 180 days' Notice Account

***Call Account (No Notice. Instant Access)

Treasury Management Mid-Year Report 2023/24**Economics update**

- The first half of 2023/24 saw:
 - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
 - Short, medium, and long-dated gilts remain elevated as inflation continually surprised to the upside.
 - A 0.5% m/m decline in real GDP in July, mainly due to more strikes.
 - CPI inflation falling from 8.7% in April to 6.7% in August, its lowest rate since February 2022, but still the highest in the G7.
 - Core CPI inflation declining to 6.2% in August from 7.1% in April and May, a then 31 years high.
 - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose to 7.8% in August, excluding bonuses).
- The 0.5% m/m fall in GDP in July suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.8 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0.2% q/q rise in real GDP in the period April to June, being followed by a contraction of up to 1% in the second half of 2023.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. While the monthly rate of earnings growth eased sharply from an upwardly revised +2.2% in June to -0.9% in July, a lot of that was due to the one-off bonus payments for NHS staff in June not being repeated in July. The headline 3myy rate rose from 8.4% (revised up from 8.2%) to 8.5%, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular private sector wage growth eased a touch in July, from 8.2% 3myy in June to 8.1% 3myy, it is still well above the Bank of England's prediction for it to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.2%. That reverses all the rise since March and means the gap between the UK and elsewhere has shrunk (US core inflation is 4.4% and in the Euro-zone it is 5.3%). Core goods inflation fell from 5.9% to 5.2% and the further easing in core goods producer price inflation, from 2.2% in July to a 29-month low of 1.5% in August, suggests it will eventually fall close to zero. But the really positive development was the fall in services inflation from 7.4% to 6.8%. That also reverses most of the rise since March and takes it below the forecast of 7.2% the Bank of England published in early August.
- In its latest monetary policy meeting on 20 September, the Bank of England left interest rates unchanged at 5.25%. The weak August CPI inflation release, the recent loosening in the labour market and the downbeat activity surveys appear to have convinced the Bank of England that it has already raised rates far enough. The minutes show the decision was "finely balanced". Five MPC members (Bailey, Broadbent, Dhingra, Pill and Ramsden) voted for no change and the other four (Cunliffe, Greene, Haskel and Mann) voted for a 25bps hike.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. The statement did not say that rates have peaked and once again said if there was evidence of more persistent inflation pressures "further tightening in policy would be required". Governor Bailey stated, "we'll be watching closely to see if further increases are needed". The Bank also retained the hawkish guidance that rates will stay "sufficiently restrictive for sufficiently long".
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices

could conceivably force it to raise rates at the next meeting on 2nd November, or even pause in November and raise rates in December.

- The yield on 10-year Gilts fell from a peak of 4.74% on 17 August to 4.44% on 29 September, mainly on the back of investors revising down their interest rate expectations. But even after their recent pullback, the rise in Gilt yields has exceeded the rise in most other Developed Market government yields since the start of the year. Looking forward, once inflation falls back, Gilt yields are set to reduce further. A (mild) recession over the next couple of quarters will support this outlook if it helps to loosen the labour market (higher unemployment/lower wage increases).
- The pound weakened from its cycle high of \$1.30 in the middle of July to \$1.21 in late September. In the first half of the year, the pound bounced back strongly from the Truss debacle last autumn. That rebound was in large part driven by the substantial shift up in UK interest rate expectations. However, over the past couple of months, interest rate expectations have dropped sharply as inflation started to come down, growth faltered, and the Bank of England called an end to its hiking cycle.
- The FTSE 100 has gained more than 2% since the end of August, from around 7,440 on 31 August to 7,608 on 29 September. The rebound has been primarily driven by higher energy prices which boosted the valuations of energy companies. The FTSE 100's relatively high concentration of energy companies helps to explain why UK equities outperformed both US and Euro-zone equities in September. Nonetheless, as recently as 21st April the FTSE 100 stood at 7,914.

Treasury Management Mid-Year Report 2023/24 Interest Rate Forecast

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012.

The latest forecast on 25 September sets out a view that short, medium, and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Link's PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1 November 2012.

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60