



Rural Capital of Food

Agenda

Meeting name	Meeting of the Full Council
Date	Wednesday, 18 July 2018
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH
Other information	This meeting is open to the public

Members of the Full Council are summoned to the above meeting to consider the following items of business.

Edd de Coverly
Chief Executive

Membership

Councillors	P. Baguley	T. Bains
	P. Chandler (Chair)	T. Beaken
	M. Blase	G. Botterill
	R. de Burle	P. Cumbers
	J. Douglas	P. Faulkner
	A. Freer-Jones	M. Glancy
	M. Graham	T. Greenow (Vice-Chair)
	L. Higgins	E. Holmes
	J. Hurrell	E. Hutchison
	J. Illingworth	S. Lumley
	J. Orson	A. Pearson
	P. Posnett	B. Rhodes
	M. Sheldon	J. Simpson
	D. Wright	J. Wyatt

Quorum: 14 Councillors

Meeting enquiries	Lena Shuttlewood
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Agenda despatched	Tuesday, 10 July 2018

No.	Item	Page No.
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES (a) To confirm the minutes of the ordinary meeting held on 26 April 2018; (b) To confirm the minutes of the extraordinary meeting held on 8 May 2018; and (c) To confirm the minutes of the Annual Meeting held on 15 May 2018.	1 - 40
3.	DECLARATIONS OF INTEREST Members to declare any interest as appropriate in respect of items to be considered at this meeting.	41 - 42
4.	MAYOR'S ANNOUNCEMENTS	
5.	LEADER'S ANNOUNCEMENTS	
6.	PUBLIC QUESTION TIME <i>The Leader and Chairs of Policy Committees to answer any questions from the public of which notice has been given in accordance with Council Procedure Rule 9 of the Constitution.</i> <i>No questions were received by the deadline.</i>	
7.	PETITIONS <i>In accordance with Procedure Rule 24.1, the Chief Executive shall report the receipt of a petition to the next meeting of the Council where there shall be no debate or comment thereon.</i> <i>No petitions were received.</i>	
8.	RECOMMENDATIONS AND REPORTS FROM COMMITTEES The Council to consider the following recommendations for approval: <u>Governance Committee: 12 June 2018 – Minute G81: Constitution Update 2018/19</u> RECOMMENDED: To approve the following for incorporation into the Council's Constitution: (a) Director for Legal and Democratic Services To note that following approval of the Senior Management Structure at Full Council on 12 December 2017 which included	

that a Director for Legal and Democratic Services be appointed, the Monitoring Officer has exercised his delegation to update all delegations and references in all relevant parts of the Constitution to reflect that this appointment replaces the Solicitor to the Council with effect from 11 June 2018.

(b) Appointment of Monitoring Officer

To note that following approval of the appointment of the Monitoring Officer to Adele Wylie by the Full Council on 25 April 2018, the Monitoring Officer has exercised his delegation to transfer all delegations and references in all relevant parts of the Constitution to Adele Wylie, the Director for Legal and Democratic Services with effect from 25 June 2018.

(c) Part 6 – Member Allowances Scheme

To note that the Members' Allowances Scheme for 2018/19 that was approved at Full Council on 7 February 2018 is now in place and following the recent NJC Pay Award of 2.0% the Monitoring Officer has exercised his delegated authority to update all allowances accordingly with effect from 1 April 2018 as set out at Appendix A. The scheme has also been updated to take account of the changes to the Council's Committee Structure approved at the Extraordinary Meeting of the Council held on 8 May 2018.

(d) Counter Fraud and Ethical Governance Arrangements – Internal Audit Report

To note that the Monitoring Officer had exercised his delegation to include the following two references in the Whistleblowing Policy at Part 10 and the Officers' Code of Conduct at Part 5 respectively of the Constitution :-

(i) The Whistleblowing Policy should refer to the Employee Assistance service which would be available to support whistleblowers and advise that ongoing confidential support from the Monitoring Officer/Head of Internal Audit would be available throughout what could be a stressful time.

and

(ii) To review the Officer Code of Conduct and include reference to compliance with:

- Financial Procedure Rules
- Contract Procedure Rules
- Counter Fraud and Anti-Bribery policies

Also, to include a requirement to notify the Council of criminal convictions or charges received.

The report to the Governance Committee on 12 June 2018 can be found at this link: [Constitution Update 2018/19](#)

9.	<p>QUESTIONS FROM MEMBERS</p> <p>In accordance with Procedure Rules 10.3 and 10.5, a Member may ask the Mayor, Leader or the Chairman of any committee or sub-committee, a question on any matter in relation to which the Council has powers or duties or which affects the Melton Borough.</p> <p>No questions were received by the deadline.</p>	
10.	<p>MOTIONS ON NOTICE</p> <p><i>There were no Motions received in accordance with Procedure Rule 11.1</i></p>	
11.	<p>ANNUAL REPORT ON THE TREASURY MANAGEMENT ACTIVITIES AND ACTUAL PRUDENTIAL INDICATORS 2017-18</p> <p>The Director for Corporate Services to submit a report which provides a summary of the Treasury activities in 2017-18 and covers the actual position on the Prudential Indicators in accordance with the Prudential Code.</p>	



Rural Capital of Food

Minutes

Meeting name	Full Council
Date	Wednesday, 25 April 2018
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH

Present:

Chair Councillor T. Bains (Chair)

Councillors	P. Baguley	T. Beaken
	M. Blase	G. Botterill
	R. de Burle	P. Cumbers
	J. Douglas	P. Faulkner
	A. Freer-Jones	M. Glancy
	M. Graham	T. Greenow
	L. Higgins	E. Holmes
	E. Hutchison	J. Illingworth
	J. Orson	A. Pearson
	P. Posnett	B. Rhodes
	M. Sheldon	J. Simpson
	D. Wright	J. Wyatt

Officers

- Chief Executive
- Deputy Chief Executive
- Interim Director for Growth & Regeneration
- Solicitor to the Council
- Democracy & Involvement Officer

The Reverend Kevin Ashby offered prayers.

Minute No.	Minute
CO111	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Councillors Chandler, Hurrell, and Lumley. The Leader gave apologies for late attendance on behalf of Councillor Pearson.</p>
CO112	<p>MINUTES</p> <p>Subject to the following amendment, the minutes of the meeting held on 22 February 2018 were confirmed and authorised to be signed by the Mayor:</p> <p>Minute C104, para (b), page 7 to be amended to read:</p> <p>Councillor Higgins referred to the minutes of the Community & Social Affairs Committee held on 23 January 2018, minute number C50: Asset of Community Value (ACV) Review – The Red Lion Car Park, Stathern. Councillor Higgins addressed his question to the Chair of that committee, stating that there had been a number of complaints made over the way the Council had dealt with requests from qualifying groups to register an amenity as an Asset of Community Value. He asked what steps had been taken to improve this process.</p>
CO113	<p>DECLARATIONS OF INTEREST</p> <p>Councillors Posnett, Rhodes, and Orson declared personal interests in any matters relating to the Leicestershire County Council due to their roles as County Councillors.</p> <p>The Leader referred to Councillor Pearson who would be attending the meeting later and stated Councillor Pearson would also have a personal interest having regard to his membership of the County Council.</p>
CO114	<p>MAYOR'S ANNOUNCEMENTS</p> <p>The Mayor</p> <p>(a) reported he had attended 24 events since the last meeting of the Council highlighting in particular the Civic Service, the Parkside Commonwealth Day Flag raising event, Melton Scouting St George's Day service, and his visit to the Bottesford Youth Group;</p> <p>(b) referred to an invitation he had received from Dr Aman Puri, the Consul General of India to address a conference last August in Birmingham to commemorate the 70th anniversary of the Independence of India. The Mayor stated he was delighted and honoured to welcome Dr Puri to this meeting of the Council;</p> <p>(c) referred to information received from Councillor Wyatt at the 7 February Council meeting when Members had been told that the Borough's affiliate ship, HMS Quorn had been decommissioned in December of last year. The Civic Officer had</p>

followed this up as the Council had not been officially notified of this event and had discovered that the Mayor of Ipswich, the ship's other affiliate town, had been invited to and had attended a special decommissioning ceremony on 14 December. On behalf of the Council and the Borough, the Mayor had written to the Royal Navy to express frustration and disappointment that the Council had not received a similar invitation. A response had been received from the Royal Navy apologising sincerely for this administrative oversight and re-assuring the Mayor that the Royal Navy held all its affiliates in high regard and appreciated the support the Borough had given the Ship over the years. An invitation had been extended to the Mayor to visit the ship and have lunch in the wardroom of HMS Nelson in Portsmouth. The Mayor expressed his thanks to the Chief Executive and the Civic Officer for pursuing the matter on behalf of the Council;

(d) extended his congratulations to Councillor Greenow who had completed the Brighton Marathon in just under 5 hours;

(e) introduced the presentation of the Mayor's Awards for 2018 and welcomed the Awardees, their nominators, family and friends to the meeting.

The Mayor's Award of Merit was given to those volunteers who have made outstanding contributions to their community; acknowledging both adult and young Citizens who have given their time and energy in helping people and showing such selfless commitment to the Borough and the communities within it.

The Mayor congratulated every winner and hoped that by accepting one of these awards they were going some way to receiving the recognition they deserved. He also hoped that through the publicity given to these Awards it would inspire others to volunteer their help for others. The nominators were also thanked for recognising the outstanding contributions made by the Awardees within their own communities and walks of life.

Awards of Merit:

Melton Community First Responders

Medical Emergency Volunteers

- Unpaid volunteers respond to medical emergencies on behalf of East Midlands Ambulance Service providing help and reassurance to the patient, their family and friends;
- Attends thousands of incidents in a year, providing a very valuable and appreciated service to the community;
- Between a group of 11 responders in the Melton area, they have contributed over 17,000 hours of unpaid service in the previous year.

Christine Radford

Chair, Melton Mowbray Parkinson's Support Group

- Organiser of the local support group for those suffering with Parkinson's disease and their carers
- Arranges the monthly meetings, guest speakers and outings for group members and their carers;
- Provides unstinting support and goes out of her way to reassure members
- The group meetings are a source of advice where members can gain knowledge and benefit from companionship
- Is an inspiration to others as she also suffers from Parkinson's
- Organises fund raising activities which go towards supporting the Group and research into the disease.

David Brown

Chair of Melton & District Indoor Bowls Club

- During 30 years of voluntary service, he has ran various committees, and overseen hundreds of local people joining the club to enjoy the sport and visit the facilities he has helped to create;
- The membership of the Club is currently 670 and the facilities have provided people with an opportunity to participate in the sport, enjoy the benefits of socialising and making friends;
- Has made a significant contribution to the community and raised the profile of the Melton through its association with the facilities.

Melton Borough Award

Graham Swann

Chair of Frisby, Hoby and Rotherby Cricket Club

- Manages the Club, volunteering 40 hours a week to manage and promote community participation in the sport locally, along with the maintenance around the cricket ground;
- Has been involved with the Club for 38 years and has ensured that the Club's facilities are also used for various community activities. His dedication and commitment has significantly contributed to the Club being very much part of the regular social scene in the villages which has grown the community spirit, bringing people together;
- Has created an infrastructure to enable participation of 50 young people each year in the sport, along with 40 adults, creating a legacy that has enabled them to keep fit both physically and mentally;
- Over the years has raised £200,000 to keep the cricket club and facilities running;
- Has used the club and its facilities to welcome new people into the villages and encourage young people to take up the sport.

[As Mr Swann was unable to attend the Presentation evening, his award was

accepted on his behalf by Councillor Hutchison.]

Young Citizen Awards

David Burrows

Venue Volunteer & Coach to Under 12's Rugby Team

- Volunteers every Thursday at Venue at Melton Learning Hub with the younger age group with whom he has a great rapport and as a result of which he has been asked to be a peer mentor for other students;
- Assists the coaches on the Under 12's rugby team at Melton Mowbray Rugby Football Club which involves an hour training session on Thursday as well as every Sunday during the season for training or matches;
- Is about to undertake a course to become a referee for the team
- Is a committed young person with excellent communications skills and sets an example by being hard working, reliable, motivated, kind and caring. Other young people relate to him as his style of coaching is patient, encouraging and fun.

Libby Duncan

Sport coaching volunteer

- Provides sports coaching, some paid but majority unpaid, to children from the ages of 3 years upwards to teenagers as well as those with special needs;
- Is committed to encouraging as many children as possible whatever their age or ability to be involved with sport, especially girls through the #thisgirlcan campaign;
- Is motivated by a desire to give back to her sport (tennis) what she herself has got out of it;
- Her achievements include: planning and delivered lessons in tennis for her PE teacher; undertaken work experience at the National Tennis Centre in Roehampton, London which included working with the National Deaf team, volunteering for the National School Sports Finals at Loughborough University assisting the Wheelchair Tennis team both at this event and the Wheelchair Tennis Masters finals, trains at Grantham tennis club where she is part of junior and adult mixed teams and has coached a master class alongside Boris Becker and Andrew Castle;
- Sets an example to other young people with her positive attitude and her ability to communicate with all ages.

Leah Wainman

Youth Leader for Asfordby Hill Community Group Youth Club

- Has been a member of the Youth Club since its opening 4 and a half years

- ago and recently became a youth leader for the early session;
- Helps and interacts with the 6-11 year old children and has organised an “Asfordby Hill’s Got Talent” show involving the children;
- Organises indoor and outdoor activities, including ‘get to know you’ games and arts activities which help the children socialise, settle in and make friends
- Spends her own time organising and resourcing activity ideas for the children whilst at the youth club;
- Sets an example to others by her hard work and commitment to helping others.

Ellie Hull

Student at Birch Wood Special School

- Has represented Great Britain by competing in the Special Olympics in horse riding;
- Is an inspiration to others with special needs and is a role model to her peers;

Melton Vale Interact Group

Student Volunteers, Melton Vale Post 16 Centre

- Have organised and run fund raising events for a Leicestershire & Rutland based charity, Hope Cancer which has also raised awareness of the charity’s work;
- Volunteered their time to benefit a worthwhile local cause
- Involved the Centre’s 400 students and staff to support their fund raising.

**The ‘Robert Hyslop Citizen of the Year Award’
to the most outstanding of the Award of Merit nominations**

Presented by the Mayor on behalf of Mrs Eileen Hyslop to the Melton Community First Responders

The Derek Sanders Cup presented by the Mayor to the outstanding Young Citizen nomination - David Burrows

Mayor’s Special Award:

1279 Squadron (Melton Mowbray) Air Training Corps

Awarded in recognition of:

- the distinguished service the 1279 Squadron has given to the community since it was officially formed in 1941
- the benefits it brings to the young people of Melton Mowbray and

surrounding area by offering the full Cadet experience so they can build upon their confidence, skills, and achievements to equip them in later life

- the support it has given to the Mayor of the Borough of Melton through the Mayor's Cadet

CO115

LEADER'S ANNOUNCEMENTS

Members received the report of the Leader in which he gave updates on the following matters:

(a) Early Help Review: The Council had recently submitted its response to the County Council's Early Help Review consultation. Members and Officers who had contributed to the formulation of the response were thanked. The response set out a bold offer to the County Council which would not only see them achieve their required saving in Melton but also secured the future of a more effective partnership working and created the potential for closer integration of services. The consultation had now concluded and it was hoped that a positive response from the county would be forthcoming;

(b) Changes to bus services in Melton: Disappointing news had been reported last week on proposed reductions to bus services in Melton. Centrebus intended to withdraw some of the number 14 and 15 services as well as the withdrawal of services between Melton and Corby. The Leader stated he was aware of the initial local concern being expressed, particularly by some of the more elderly users of the service. The County Council was already looking at this matter in some detail and this Council would offer its support in working to mitigate any negative impacts. The Leader said he would be writing to the Managing Director of Centrebus to express the Council's concern;

(c) Rail connectivity to Nottingham: The Council had submitted its business case to the LLEP for match funding to support a feasibility study into the viability of improving rail connectivity to Nottingham. The current service was an impediment to growth and the Council wanted to see infrastructure and services improve rather than be reduced. The outcome of the bid would be known in June and any funding would be used to establish whether there was a genuine economic argument for future investment in this area;

(d) Local Plan: Another positive step had been taken towards securing a Local Plan for Melton. The Council had recently been notified of the Inspector's package of modifications she believed necessary to make the Plan sound. Whilst this had been a hotly debated issue, the Council was pleased that the modifications were relatively few in number and did little to alter the core aspects of the Plan. The proposed changes would be consulted upon from early May and the Inspector would then consider any further representations before making her final determination;

(e) **Prioritisation and Governance Review:** The Leader referred to the considerable amount of work done over recent weeks to review the future direction of the Council and to improve, streamline and clarify the way in which it made decisions. As well as holding a corporate visioning and prioritisation exercise, a Governance Development Group had been convened to reflect on the recommendations from the recent LGA Governance Review. The Development Group was now making a number of recommendations which were due to be considered by the ad hoc Governance Committee on 30 April before being formally proposed at an Extraordinary Meeting of the Council on 8 May. The outputs from the prioritisation exercise would also be tabled at that meeting in the form of a new Corporate Delivery Plan which would set out the key projects the Council would focus on over the coming year. The Leader stressed this was an important time for the Council as it looked to modernise and improve what it did and how it did it.

Councillor Malise Graham MBE

The Leader stated that the evening was one of celebration and presentation as, on behalf of the Council, he wished to mark Councillor Graham's 30 years of service on the Borough Council. Councillor Graham had been elected to the Council in May 1987 for the Wymondham ward, taking over from Sir Lyonel Tollemache. He had served as Mayor of the Borough in 1993/94 when he had chosen Rainbows Children's Hospice for his Mayor's Appeal and set up the Friends of Rainbows for the Melton area which he still chaired and the group had raised thousands of pounds to help with the running of the Hospice.

Councillor Graham had gone on to serve as Leader of the Council in 1994/95, 1997/99, and 2001 to December 2011. He was awarded an MBE in the 2009 The Queens New Year's Honours for services to the Borough.

The Leader first presented Mrs Pam Graham with a basket of flowers to recognise the support she had given her husband over the years. Councillor Graham was then presented with a commemorative engraved decanter and other gifts which included a framed letter of congratulations from the PM Mrs Theresa May which Councillor Graham read out to the Council.

In responding, Councillor Graham said the presentation had taken him by surprise – indeed he had not been aware that Mrs Graham was attending – and it was completely unexpected. He thanked everyone for the gifts and referred to both the high points and low points over the last 30 years, none of which he would have missed. Councillor Graham gave a mention to former Councillor and Mayor, the late John Greenslade, saying what a support he had been to him when he first joined the Council.

The Mayor then echoed the comments made by the Leader and added his own personal thanks to Councillor Graham saying that he felt the same way about him that Councillor Graham felt about the late Councillor Greenslade, considering himself blessed to serve on the Council alongside Councillor Graham.

CO116	<p>PUBLIC QUESTION TIME There were no questions to be put.</p>
CO117	<p>PETITIONS There were no petitions to report</p>
CO118	<p>RECOMMENDATIONS FROM COMMITTEES: Governance Committee: 27 March 2018 - Annual Review of the Constitution 2017/18 <u>Governance Committee: 27 March 2018 – Minute G65: Constitution Update 2017/18</u></p> <p>Councillor Cumbers presented the recommendation of the Governance Committee concerning an update to the Constitution and so moved the recommendation regarding the revised Substitution Policy. Councillor Simpson seconded the motion and following a vote, the motion was carried unanimously.</p> <p><u>RESOLVED:</u> that</p> <p>(1) Appendix A1 of the report (revised Substitute Policy) be approved, subject to the following amendment at clause 11 of the Policy:</p> <p>‘If sufficient notice has been given, a Member substituting on the Planning Committee will be expected to attend the Planning Site Visit and/or the Briefing. But the Substitute Member could still take part in the Planning Committee meeting, even if they had not attended the Planning Site Visit and/or the Briefing’; and</p> <p>(2) Appendix A2 of the report (Revised Code of Conduct for Members and officers dealing with Planning matters) be approved.</p>
CO119	<p>RECOMMENDATIONS FROM COMMITTEES: Policy, Finance & Administration Committee: 11 April 2018 - Adoption of a Commercial Strategy <u>Policy, Finance & Administration Committee: 11 April 2018 – Minute P71: Commercial Strategy</u></p> <p>Councillor Orson presented the recommendation from the Policy, Finance & Administration Committee concerning the formal adoption of the Council’s Commercial Strategy.</p> <p>Councillor Orson</p> <p>(a) advised that whilst the Council had managed its finances well, like all local authorities, it was under considerable pressure and therefore to remain viable needed to re-shape its approach to become more commercial. He stressed that this was not about being reckless, but about being more business-like and this may mean taking some calculated risks. The Council needed to recognise that borrowing to invest was going to be a fundamental component of any aspiration to either become more commercial or to positively intervene and regenerate our communities;</p>

(b) commented that local government had demonstrated over the last few years that it could make good commercial decisions and there were many opportunities to learn from others about what works and how additional income could be generated. The adoption of this strategy would create a framework within which officers could begin exploring new approaches more fully. It would create the potential to maximise the value from existing services as well as pursue new ventures which could help to meet both the Council's social and commercial aspirations. The development of a local authority housing company was one such venture which was under consideration. Further new ideas would be the subject of a detailed business case and brought before Members in due course;

(c) referred to other Councils who were also moving forward in this area, specifically the County Council who had recently bought commercial property in Nottingham and Rushcliffe Borough Council who had also acquired commercial property in Coalville.

In commending the proposal to the Council, Councillor Orson moved the recommendation on the Order Paper and this was seconded by Councillor Higgins who spoke briefly on how this fitted with the Council's objectives.

Upon being put to the vote, the motion was carried unanimously.

RESOLVED: That the Commercial Strategy as set out in Appendix A of the report to the Policy, Finance & Administration Committee be adopted.

CO120 **QUESTIONS FROM MEMBERS**

(a) Members had before them the reports of Committees upon which the Chairs of those Committees could be asked to answer any questions when those items were being received or under consideration by the Council in accordance with Council Procedure Rule 10.1 of the Constitution :-

Melton Economic & Environmental Affairs Committee	13 February 2018
Planning Committee	20 February 2018
Recruitment Committee	21 February 2018
Recruitment Committee	7 March 2018
Melton Economic & Environmental Affairs Committee	7 March 2018
Ad Hoc Community & Social Affairs Committee	8 March 2018
Town Area Committee	12 March 2018
Planning Committee	15 March 2018
Community & Social Affairs Committee	20 March 2018

Recruitment Committee	22 March 2018
Recruitment Committee	27 March 2018
Governance Committee	27 March 2018
Planning Committee	5 April 2018
Policy, Finance & Administration Committee	11 April 2018

(b) Councillor Pearson apologised for his late attendance, explaining he had been at site visits for the final three bidders for the housing repairs contract;

(c) In accordance with Procedure Rule 10.5 (c), the following question from Councillor Blase was accepted as an urgent matter due to the closure of the service coming to light after despatch of the agenda:

In light of the recent announcement of the current bus company withdrawing operating services 14 and 15 in the town, what is MBC's plan to get the service reinstated/maintained, as this affects residents of all ages, of which this is their only means of transport into and out of town for work and leisure etc.? For the elderly it allows for them to get out of their homes and socialise with other people in the town.

The Leader responded stating that he shared Councillor Blase's concern about the impact on Melton. Anything which reduced connectivity for residents, particularly the more elderly or vulnerable members of the community was something the Council should question and work to minimise the impact. The Leader stated he would be writing to the Managing Director of Centrebus to express concern about the proposals and would be working with his County Council colleagues to see if there was a way to mitigate the impact of this proposal.

Contributions were also made by Councillors Pearson and Posnett: Councillor Pearson confirmed that consultations with Centrebus were taking place at County level and it was important that residents' concerns were represented and that they were kept informed. Councillor Posnett clarified that Centrebus had notified the Traffic Commissioner of its intention to stop the Monday to Friday service, except for the last bus of the day. The Saturday service would remain as this was subsidised. The County Council was considering what form of transport it could provide from 1 June onwards and assured the Chief Executive she would keep him up to date with developments.

[Councillor Pearson entered the meeting at 7.21pm during consideration of the

	above item.]
CO121	<p>MOTIONS ON NOTICE</p> <p>There were no Motions on Notice received in accordance with Procedure Rule 11.1</p> <p>[The Deputy Chief Executive had an officer interest in the following item and here left the meeting.]</p>
CO122	<p>APPOINTMENT OF MONITORING OFFICER</p> <p>Councillor Orson formally advised the Council about the appointment of the two new Directors to the Council's senior management structure. As the new Director for Legal and Democratic Services, Ms Wylie would take on the role of the Council's Monitoring Officer.</p> <p>In seconding the motion, Councillor Higgins thanked the members of the Recruitment Committee for their work. Upon being put to the vote, the motion was carried unanimously.</p> <p><u>RESOLVED:</u> In accordance with Section 5 of the Local Government and Housing Act 1989, the new incoming Director for Legal and Democratic Services, Adele Wylie, commence as the Council's Monitoring Officer and replace the Deputy Chief Executive in this role with effect from 25 June 2018.</p>

The meeting closed at: 7.33 pm

Mayor

Minutes

Meeting name	Extraordinary Meeting of the Full Council
Date	Tuesday, 8 May 2018
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH

Present:

Chair Councillor T. Bains (Chair)

Councillors	P. Baguley	P. Chandler (Vice-Chair)
	M. Blase	G. Botterill
	R. de Burle	P. Cumbers
	J. Douglas	P. Faulkner
	A. Freer-Jones	M. Glancy
	T. Greenow	L. Higgins
	E. Holmes	J. Hurrell
	E. Hutchison	J. Illingworth
	J. Orson	A. Pearson
	P. Posnett	B. Rhodes
	M. Sheldon	J. Simpson
	D. Wright	J. Wyatt

Officers

- Chief Executive
- Deputy Chief Executive
- Director for Corporate Services
- Interim Director for Growth & Regeneration
- Solicitor to the Council
- Senior Democracy Officer

Minute No.	Minute
CO123	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Councillors Beaken, Graham MBE and Lumley.</p>
CO124	<p>DECLARATIONS OF INTEREST</p> <p>Councillors Orson, Pearson, Posnett MBE and Rhodes each declared a personal interest in any matters relating to the Leicestershire County Council due to their roles as County Councillors.</p>
CO125	<p>REFRESHED DIRECTION AND FOCUS FOR THE COUNCIL</p> <p>To move the Council forward in its direction and governance arrangements, the Leader of the Council, Councillor Orson, explained that the Council was to consider two reports which would help with the resetting of the direction of the Council. Having undergone the Peer Challenge in December 2017, completed a considerable amount of the development work since and with the Council's Annual Meeting coming up in the next week, 15 May, this was the perfect time to ensure the Council was clear on what it hoped to achieve and the way in which it wanted to achieve it. He further advised that the reports reinforced each other and to be able to deliver the Council's ambitions the right governance processes needed to be in place so that the Council could make the best use of its available resources.</p> <p>The Leader referred to his 15 years on the Council and that the changes proposed would make improvements that would take the Council through the next 10 years.</p>
CO126	<p>RESETTING THE DIRECTION OF THE COUNCIL : REFRESHED CORPORATE VISION, PRIORITIES AND DELIVERY PLAN</p> <p>The Leader of the Council, Councillor Orson, referred to the previously circulated report and explained that</p> <p>(a) it summarised the work undertaken to refresh the Council's Corporate Mission, Vision and Priorities. These had been developed in consultation with Members and Officers to ensure they better capture the agenda in 2018 and the issues the Council was currently dealing with. They retained much of the original focus from 2015 but now incorporated greater recognition of the Council's efforts to tackle the low wage economy, increase housing availability, boost the profile of the area to encourage tourism, whilst also incorporating the Council's ambition to become more commercial and an employer of choice;</p> <p>(b) against these priorities, the Council had collectively worked through a process to identify those things it specifically wished to achieve and had built these into a new Corporate Delivery Plan. This would create a focus for the Council's efforts over the next 12-18 months and found an appropriate balance between those things the Council must do and those which were nice to do. The new plan was within the agenda papers and some key highlights included :-</p>

- Secure the Local Plan and refocus on delivery
- Develop a new Town and Place Partnership to maximise the Council's profile, increase inward investment and stimulate the visitor economy
- Undertake feasibility studies into the next phase of development at the Cattle Market and into the future of leisure facilities in Melton. These studies were crucial to ensure the Council was clear on its ambitions and that they were ultimately deliverable
- Work to establish a Council owned housing company to support both the Council's commercial and social ambitions
- Increase capacity and capability to better tackle environmental issues, anti-social behaviour and nuisance
- Review and improve the Council's approach to supporting customers. Initial reviews were planned within the People and Communities directorate and also in Planning
- Undertake a review of all Council assets to maximise their value and usage
- Implement a new Workforce Strategy to ensure the Council recruited, developed and retained the best possible team at Melton

(c) Officers had reviewed available resources and identified where resources needed to be refocussed in order to support delivery of the new Corporate Delivery Plan. The Council anticipated being able to contain the majority of required resources within existing budgets, with the exception of one supplementary estimate required to support the appointment of an environmental enforcement officer. Whilst the Council was mindful of placing additional burdens on the Council's finances, there was a belief this was proportionate and affordable. The decision to support this also needed to be taken in the context of the anticipated positive outcome from the waste procurement process and the recent adoption of the new commercial strategy. Member will also be aware that later in the year the council would be holding a further workshop to support the Council's financial stability as plan B was developed and ensure the budget management strategy was sufficiently robust and achievable;

(d) the final part of this first report confirmed the new corporate values. These had been developed through extensive discussions with colleagues across the organisation and more recently with the Committee Chairs. They were designed to be recognisable today but also to create a driver for change and a statement of the type of organisation the Council wanted to be come. If the Corporate Delivery Plan set the direction, the new values set the way in which the Council will work to achieve them. He proposed the recommendations in the report.

The Deputy Leader, Councillor Higgins, seconded the motion and supported what the Leader had said. He stated that the Council was looking to change and be ambitious for the Melton's future. He referred to the focus on the vulnerable in the community and being nominated for awards for this work. He said that if you were living in Melton, sent a child to school here, set up a business, bought a home, were a part of the community then the Council was on your side. He recognised

that there were issues around fly-tipping and this was being addressed and on the positive side there was huge backing from businesses and the public for the Melton Distribution Road and was hopeful that this would be delivered.

There was a view expressed that the Borough needed to be smarter in attracting business and although the Council cared for the vulnerable, it needed to concentrate on commerce and securing the Melton Distributor Road. To make this happen and attract industry, larger houses needed to be built and there be less emphasis on smaller housing. The Councillor referred to the Borough's previous prosperity and considered that the Borough should look to industry setting up around the perimeters of the new road. The proposed new Policy Forum was mentioned and it was suggested that this should include an Opposition Member.

Councillors felt encouraged by the plan and recognised there were limitations but it would allow the Council to respond to people's needs and concerns and to make Melton a better place to live and visit. It was felt that communication with schools was also important in helping to support young people as they were the future.

There was mention that the Council had limited services within its control and it needed to steer the locality in working with its partners. The Council had to consciously work with others to bring the relief road to the Borough and it had influence with the Local Plan and determining the infrastructure for the new road and outlining where the new homes would go. One of the Borough's issues was the aging population and more homes were needed for younger people as currently there were jobs available but there were not enough affordable homes for young people to live and work here. Melton needed to expand and accept this and the Councillor was looking forward to the approval of the Local Plan and securing the money to start the new road.

The Leader thanked Councillors for their comments and added that local schools had been contacted and he recognised that the aging population was an issue but felt the plan would create more opportunities for older people in Melton.

On being put to the vote, the motion was unanimously carried.

RESOLVED that

- (1) the refreshed corporate mission, vision and priorities for Melton Borough Council be approved;
- (2) the new Corporate Delivery Plan including the prioritised projects and activities as specified in Appendix B be approved;
- (3) a new set of corporate values be approved;
- (4) to facilitate priority PL4 regarding environmental improvement, an additional recurring revenue budget of £40K funded by a supplementary estimate in 2018/19 from the Corporate Priorities Reserve be approved to enable the

	establishment of an Environmental Enforcement Officer post.
CO127	<p>RESETTING THE DIRECTION OF THE COUNCIL : GOVERNANCE REVIEW PROPOSALS</p> <p>The Leader of the Council, Councillor Orson, referred to the previously circulated report and explained that</p> <p>(a) the first report established the direction of the Council and this report was about how the Council was most effectively to get there. The Peer Challenge recognised the Council had some issues in how it made decisions and the Local Government Association's (LGA) Governance Review carried out in March 2018 set these out in more detail and made some recommendations for how the Council could improve. The LGA's report was received by the Governance Committee on 27 March 2018 and following that an informal Governance Development Group of Members and Officers was convened which explored these more fully. The group met twice and looked at a range of areas including the Committee structure, policy development, the role of Leader, Chairs and Vice Chairs and representatives on outside bodies;</p> <p>(b) the Governance Development Group had made an extensive range of recommendations which the Group believed would help improve the Council's governance processes; remove duplication and streamline decision-making. At a time when local government finances were under such pressure it was imperative that the Council increased not only the efficiency of its services but also the way in which the democratic function operated and key recommendations within the report included :-</p> <ul style="list-style-type: none"> • Rationalisation to three more autonomous policy committees; Corporate, People and Place, removing overlap and duplication and creating a better alignment between the corporate priorities and corporate management structures • A commitment to build a new Town and Place Partnership with a broader appeal and influence to help the council raise the profile of the Borough and encourage investment • Removal of a range of sub-structures, working groups and boards and replacement with a much clearer route to policy development through a new policy forum • These along with a range of other improvements listed within the report would not only improve how the Council carried out its business, they would also deliver a financial and productivity saving to the Council <p>(c) the group's proposals were considered by an Ad Hoc Governance Committee on 30 April 2018 and the questions and comments received from that meeting had been circulated to Councillors. He was grateful for the contributions made at that meeting and believed that these proposals represented a very positive step in the right direction for this Council. It was important to note however that this report represented the first phase of improvements and that further work was planned for the Governance Development Group. This was in line with the</p>

LGA recommendations which advised the Council should review its scheme of delegation and Constitution more fully and also look at the merits of alternative governance arrangements. He added that he looked forward to welcoming the new Director for Legal and Democratic Services who would play a key role in supporting this work and then proposed the recommendations at paragraphs 2.1 to 2.27 of the report and that the vote on the recommendations be taken 'en bloc'.

The Deputy Leader, Councillor Higgins, seconded the motion and reserved his right to speak.

It was pointed out that there had been an oversight in the proposed amendments to the Constitution at Appendix E where there was reference to the Melton Economic and Environmental Affairs Committee and this should refer to the Place Committee. The Councillor supported the report and the simplification of the structure and was pleased that at this stage the Council had not moved to a Cabinet/Scrutiny model. The Councillor felt that in a small Council such as Melton, the Committee model gave the opportunity for all Members to contribute. However the Councillor would not oppose an alternative structure in the future.

It was requested that the vote not be taken 'en bloc' as a Member did not agree with recommendations 2.13 and 2.14 relating to the membership of the policy and regulatory forums.

The Mayor advised that the Leader had included in his motion that the vote be taken 'en bloc' therefore it was the Leader's decision as to whether he accepted this change in voting arrangements.

The Leader responded that the motion remain as put, ie. 'en bloc'.

There was a discussion on the role of the Policy Forum and there was a view that it should include the opposition. However it was felt that it was usual for the ruling group to set the policy of the Council.

It was suggested that the concerned Councillor may wish to put an amendment to give all Councillors the opportunity to consider the opposing view.

The Mayor asked if the Councillor would like to put an amendment and therefore adjourned the meeting at 6.55 p.m. for the Councillor to consider this. The meeting reconvened at 7.09 p.m.

Councillor Blase put an amendment which requested that the Council take a vote on recommendations 2.1-2.12 'en bloc', and recommendations 2.15 to 2.27 'en bloc' and amend 2.13 and 2.14 to add the following wording after the last word of each recommendation as follows :-

2.13 ...'along with a representative of other groups or parties.'

2.14 ...'along with a representative of other groups or parties.'

Councillor Holmes seconded the amendment.

Clarification was requested as to whether the amendment meant a representative of all other parties or just one representative. Councillor Blase confirmed it would be one representative. The Solicitor to the Council gave further clarification that it was one representative out of the other groups. Councillor Holmes also clarified that it was one representative from a minority group.

It was then asked how it would be determined which group would provide the representative particularly in the current circumstances. It was also questioned whether it was legal to have a Member representing independents.

The Chief Executive clarified that these were informal groups not subject to political balance and were not decision-making. It was requested that a single representative be appointed to represent the non-ruling group.

Councillor Greenow raised a point of clarification that a group was a constituted body and could not be constituted by a different group. He added that to have a non-ruling group representative would be a matter for the non-ruling groups to determine how it was allocated. The Chief Executive explained that the other Members should make that decision and this was not a decision-making body.

The Leader stated that he opposed the amendment and was grateful that the difficulties of this representation had been outlined. He felt the report was positive and would help to stop duplication and urged Members to not support the amendment.

Other Members felt the amendment brought potentially another layer of democracy and once the electorate had decided the balance of power, the ruling group should be able to have informal discussions such as in these forums. Others felt the amendment was not clear in its wording and could have been raised earlier at the briefing. It was felt that the original motion was forward thinking and would help to future proof the Council.

On the amendment being put to the vote, the amendment was lost.

The Deputy Leader referred to his reserved right to speak and stated that it had been good to debate the well put paper. He added that the approving the recommendations would modernise the Council and urged Councillors not to vote against the motion and support the 'en bloc' vote.

The Leader referred to the late amendment and that it may have been helpful for advice to have been sought before the meeting. He asked the Council to accept his motion to take an 'en bloc' vote on all the recommendations.

On being put to the vote, the original motion was carried.

RESOLVED that

- (1) the comments of the Ad hoc Governance Committee held on 30 April 2018 on the proposed new Governance arrangements be noted;
- (2) the new Committee structure as set out at Appendix A be approved and this come into effect from the Annual Meeting on 15 May 2018;
- (3) it be approved that a new policy committee be created called 'Corporate Committee' and this replace the existing Policy, Finance and Administration Committee in name and the terms of reference for this committee be as set out at Appendix A and the new committee come into effect from the Annual Meeting on 15 May 2018;
- (4) it be approved that a new policy committee be created called 'People Committee' and this replace the existing Community and Social Affairs Committee in name and the terms of reference for this committee be as set out at Appendix A and the new committee come into effect from the Annual Meeting on 15 May 2018;
- (5) it be approved that a new policy committee be created called 'Place Committee' and this replace the existing Rural, Economic and Environmental Committee in name and the terms of reference for this committee be as set out at Appendix A and the new committee come into effect from the Annual Meeting on 15 May 2018;
- (6) a new delegation to the Chief Executive in consultation with the Leader of the Council be approved to authorise one-off supplementary expenditure, required as a consequence of decisions made from the policy committees, up to a cumulative maximum of £100,000 in any one year;
- (7) it be approved that the Town Area Committee be disestablished and removed from the Council's decision-making structure with effect from the Annual Meeting on 15 May 2018;
- (8) it be approved that special expenses be the responsibility of the Place Committee and any outstanding business for the Town Area Committee be transferred to the appropriate committee with effect from the Annual Meeting on 15 May 2018;
- (9) it be approved that the Council work with partners and support the development of a new town and place partnership involving local stakeholders and businesses, the terms of reference for which to be determined once the membership is established. An informal steering group of representatives from key stakeholders; including the Chair and Vice Chair of the Place Committee be convened to develop the approach;
- (10) the revised terms of reference of the Governance Committee be approved

with effect from the Annual Meeting on 15 May 2018;

- (11) the revised terms of reference of the Planning Committee be approved with effect from the Annual Meeting on 15 May 2018;
- (12) the revised terms of reference of the Licensing and Regulatory Committee be approved with effect from the Annual Meeting on 15 May 2018;
- (13) it be approved that an informal Policy Forum be developed to replace the existing Conservative Chairs group and the membership of this group be the Leader, Deputy Leader, Chairs and Vice Chairs of the People and Place Committees and senior officers as determined by the Chief Executive;
- (14) it be approved that an informal Regulatory Forum be developed and the membership of this group be the Chairs and Vice Chairs of the Regulatory Committees and senior officers as determined by the Chief Executive;
- (15) it be approved that the following working groups be disbanded with effect from the Annual Meeting on 15 May 2018 :-
 - Budget and Strategic Planning Working Group
 - Cattle Market Working Group
 - Economy Board
 - Planning Enforcement Working Group
 - Sports, Leisure and Culture Working Group
 - Tenant Consultative Working Group
- (16) it be approved that Lead Members be removed from the Constitution and no longer be part of the governance arrangements with effect from the Annual Meeting on 15 May 2018. The same applies to the term 'Champions', that these no longer form part of the Council's governance arrangements;
- (17) it be approved that representatives on Outside Organisations and Partnerships be the Leader or relevant Committee Chair as the default position except where there is a business reason for a different Member. The Leader or Committee Chair may nominate their Deputy or Vice chair as required;
- (18) it be approved that committee minutes no longer be included on the Full Council agenda under the item 'Questions from Members'. Members will still be able to submit questions to the Leader and Committee Chairs as they do currently;
- (19) it be approved that Committees will not typically receive information only items, rather Members will be kept informed of new initiatives and policy development through an improved Members' Bulletin and wider briefings as necessary; as well as more directly through the Chairs and Leader themselves;

- (20) it be approved that taking into account the views of the Chairman of the Welland Independent Remuneration Panel the Special Responsibility Allowances (SRA) for the Leader, Deputy Leader, Chair and Vice Chair roles of the three existing policy committees transfer to the three new policy committee roles as set out at para 3.12 of this report and the Member Allowances Scheme be updated accordingly with effect from 16 May 2018;
- (21) it be approved that the SRA for the Chair and Vice Chair of the Town Area Committee be deleted from the Member Allowance Scheme and the scheme be updated accordingly with effect from 16 May 2018;
- (22) it be approved that a short interim review of any impact on Special Responsibility Allowances as a result of these changes should take place in January 2019 once the new arrangements have had a chance to embed. This would be subject to any wider governance changes being proposed;
- (23) the principle be approved that the Calendar of Meetings for 2018 19 remain as previously drafted and considered by the Governance Committee on 27 March 2018 subject to removal of the Town Area Committee dates and the three existing policy committees be replaced by the three new policy committee names ie. Corporate (PFA), People (CSA), Place (MEEA). The Calendar of Meetings to be considered for approval at the Annual Meeting of the Council on 15 May 2018;
- (24) the deferred items for adoption in the Constitution that were previously presented to the Governance Committee held on 27 March 2018 and to the Ad hoc Governance Committee held on 30 April 2018 as set out at Appendix E be approved;
- (25) it be approved that the Constitution be updated in respect of all matters listed and subsequently approved above where appropriate;
- (26) it be approved that the Governance Development Group be retained in its current format and membership and continue to review the Council's governance arrangements including a review of the scheme of delegation to officers to offer more flexibility and consider the merits of alternative governance models and report to the Governance Committee and subsequently the Full Council in due course;
- (27) it be noted that as a result of the new Governance arrangements, transitional arrangements need to be in force until work is completed on their implementation including a review of the Council's Constitution including the Financial Procedure Rules and the Policy Framework following the prioritisation exercise and the realignment of budgets into the new committee structure and responsibilities which will commence when the budgets are set for 2019/20 with budget monitoring under the new arrangements not implemented fully under the 2019/20 financial year.

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The meeting closed at: 7.26 pm

Mayor

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Minutes

Meeting name	Annual Meeting of the Full Council
Date	Tuesday, 15 May 2018
Start time	7.00 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH

Present:

Chair Councillor T. Bains (Chair) In the chair until CO4.

Councillors

P. Chandler (in the Chair from CO4)	T. Beaken
M. Blase	G. Botterill
R. de Burle	P. Cumbers
J. Douglas	P. Faulkner
A. Freer-Jones	M. Graham
T. Greenow	L. Higgins
E. Holmes	E. Hutchison
J. Illingworth	S. Lumley
J. Orson	A. Pearson
P. Posnett	B. Rhodes
M. Sheldon	J. Simpson
J. Wyatt	

Officers

Chief Executive
Deputy Chief Executive
Director for Corporate Services
Interim Director for Growth & Regeneration
Solicitor to the Council
Democracy & Involvement Officer

The Reverend Kevin Ashby offered prayers.

Minute No.	Minute
CO1	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Councillors Baguley, Glancy, Hurrell, and Wright.</p>
CO2	<p>MAYOR'S ANNOUNCEMENTS AND REMARKS</p> <p>At the start of the meeting, the outgoing Mayor, Councillor Bains, thanked the Reverend Ashby for his support as his Chaplain during his year of office.</p> <p>Councillor Bains then:</p> <ul style="list-style-type: none"> • prefaced his announcements by asking the Council to observe a moment of silence for Mr Peter Waller Marsh, a local Solicitor, who has recently died suddenly. Councillor Bains paid tribute to the late Mr Marsh as being a mentor and support to him professionally; • expressed his amazement at how his year had gone in a blink of an eye and referred to the unique set of challenges that being the Mayor whilst working in a full time profession had presented. However, he considered it had been both an honour and a privilege; • referred to some of the highlights of his year which had included being the Returning Officer and announcing the election results from the snap General Election in 2017 and the opportunity his role had afforded to meet the young people of the Borough. Being the youngest ever Mayor and from an Asian background, he hoped that this had inspired some of the young citizens of tomorrow. At all times when representing the Borough, he had tried to be inclusive; • thanked the following people who had supported him during the year: <ul style="list-style-type: none"> ~ his mother, the Mayoress who had shared many experiences with him. Councillor Bains also acknowledged the support his father had given; ~ Mrs Lena Shuttlewood, Democracy & Involvement Officer for her consistent support and ensuring the smooth running of his diary and arranging all the civic events; ~ his Deputy, Councillor Chandler for attending a number of events on his behalf ~ the Chief Executive, Mr de Coverly for his support and guidance; ~ his new wife, Navpreet, whom he had met whilst on Mayoral duties, which he considered one of the biggest blessings of his year. Councillor Bains presented his wife with flowers; ~ the people of the Borough of Melton for their support, kind words, and

hospitality. He undertook to continue to serve their interests as an elected Member on returning to the 'back benches'.

CO3

ELECTION OF MAYOR

Councillor Rhodes proposed that Councillor Chandler be elected Mayor of the Borough until the Annual Meeting in 2019. In support of his nomination, Councillor Rhodes referred to Councillor Chandler originally coming from Grantham in Lincolnshire, moving to Muston when she married her late husband who was a farmer. He went on to speak about her sporting interests and her service on the Bottesford Parish Council, having chaired the parish council from 1993 to 2003 when she had been elected to the Borough Council. Councillor Chandler had been the chair of the Council's Planning Committee and more recently chaired the Local Plan Working Group. Councillor Rhodes paid tribute to Councillor Chandler's thorough approach and attention to detail. He considered there was no one better qualified to be the Mayor having regard to her dedication and sense of duty.

Councillor Posnett seconded the nomination and briefly spoke on how both she and Councillor Chandler had been elected to the Borough Council in the same year and had served on the same committees. Councillor Chandler was proud to represent Bottesford but she was also equally proud to serve the whole Borough and she would carry out the role of Mayor with her usual tenacity and drive to do a good job, tempered with kindness. As a past Mayor herself, Councillor Posnett advised Councillor Chandler to enjoy her year of office.

On being put to the vote, the motion was carried.

RESOLVED: that Councillor Chandler be elected Mayor of the Borough of Melton for the period until the Annual Meeting in 2019.

CO4

INVESTITURE OF MAYOR

Councillor Chandler read and signed the Declaration of Acceptance of Office.

Councillor Bains invested Councillor Chandler with the Chain of Office.

(The new Mayor, Councillor Chandler, in the Chair.)

Councillor Chandler thanked her nominator and seconder and undertook to do her best to promote the Borough as an attractive place to visit, work, and live. She referred to a recent article that had been published in the Daily Telegraph that had painted a less than flattering picture of a visit to the town; she suggested that the Council's self promotion in this regard had been poor and she wanted to improve that.

CO5

VOTE OF THANKS TO THE RETIRING MAYOR AND MAYORESS

Councillor Orson proposed a vote of thanks to the retiring Mayor and Mayoress, commenting on the wonderful year of memories they would take away with them. Councillor Orson thanked Mrs Bains for her support as the Mayoress and praised Councillor Bains for the energy and genuine warmth with which he had engaged

with people, citing two events in particular – the Melton & Belvoir Agricultural Society Annual Dinner and the recent Dinner event at Melton Learning Hub – where his enthusiasm and demeanour had made him a credit to this Council. Councillor Orson congratulated Councillor Bains on his recent marriage and wished him and his wife all the best for the future.

In seconding the vote of thanks. Councillor Higgins also commended Councillor Bains' approach and enthusiasm for people and the community. He also acknowledged the support given by Councillor Bains' parents.

RESOLVED: that a vote of thanks be recorded for the retiring Mayor and Mayoress.

CO6

ELECTION OF DEPUTY MAYOR

After congratulating Councillor Chandler on her election and thanking Councillor Bains for a most energetic year, Councillor Graham proposed that Councillor Greenow be elected Deputy Mayor for the period until the Annual Meeting in 2019. In so doing, Councillor Graham referred to Councillor Greenow's contribution to the authority since being elected to the Council, and spoke on his qualities that would make him a good candidate for Deputy Mayor.

The nomination was seconded by Councillor Illingworth who commended Councillor Greenow's suitability to be Deputy Mayor.

Upon being put to the vote, the motion was carried unanimously.

RESOLVED: that Councillor Greenow be elected Deputy Mayor of the Borough of Melton for the period until the Annual Meeting in 2019.

CO7

INVESTITURE OF DEPUTY MAYOR AND DEPUTY MAYORESS/CONSORT

(a) Councillor Greenow read and signed the Declaration of Acceptance of Office.

Councillor Chandler then invested Councillor Greenow with the Deputy Mayor's Chain of Office and Mrs Emma Greenow with the Deputy Mayoress' Chain of Office

(b) Councillor Greenow thanked his nominator and seconder for their words of support and the Council for his election. He also publicly thanked his wife for supporting him as a Councillor and now as his Deputy Mayoress.

CO8

ELECTION OF LEADER

Councillor Freer-Jones proposed that Councillor Orson be appointed Leader of the Council for the period until the Annual Meeting in 2019. In so doing, Councillor Freer-Jones referred to Councillor Orson's service on the Council and his suitability to lead the Council in taking forward the significant and exciting changes the authority faced. Councillor Orson had aligned the Council's priorities to best serve the people of the Borough, supported by his emphasis on having an inclusive policy.

Councillor Faulkner spoke in support of Councillor Orson as Leader and seconded the motion.

On being put to the vote, the motion was carried unanimously.

RESOLVED: that Councillor Orson be appointed Leader of the Council for the period until the Annual Meeting in 2019.

CO9

LEADER'S REPORT

The Leader

(a) began his report by commenting on how much had been achieved in the last year and how the Council had built upon installing a team ethos, using the words 'us' and 'we' as part of the new culture;

(b) referred to the considerable progress made towards securing the Local Plan which set out the growth ambitions to 2036 and provided a blueprint for the future prosperity of the Borough. The Leader extended his thanks to the Local Plan team, Councillor Chandler and the Local Plan Working Group for leading this agenda in what had sometimes been a challenging environment. The Council had also supported and overseen the successful implementation of a number of Neighbourhood Plans within the Borough;

(c) mentioned that the Council's investments and efforts at the Cattle Market had paid off and had been celebrated both by the official opening and visit by HRH The Princess Royal and more recently through winning the East Midlands Regeneration Award at the Royal Institute for Chartered Surveys 2018 Awards when the judges had recognised that the completion of phase one of the project would safeguard the market's key role in the local economy for the next 20 years. The Leader congratulated the Corporate Services Manager, David Scott and the project team for this fantastic recognition. The new development also provided a platform for strengthening Melton's status as a rural centre for food tourism and a feasibility into further options for developing the site was currently underway;

(d) referred to other considerable investments made by the Council into improving its housing stock by refurbishing Granby House and Beckmill Court;

(e) spoke about the key drivers to support the Council's growth ambitions; improving Melton's infrastructure and connectivity was a key focus. In conjunction with the County Council a significant funding bid to the Department of Transport for the new distributor road had been submitted. The outcome of this was due soon. Work had also started on the feasibility of improving rail connectivity with Nottingham which would improve the access to another major market as well as open up improved possibilities to benefit from HS2 and the East Midlands Airport developments;

(g) referred to a number of significant procurements which had been undertaken

to maximise the value and quality of a number of major service areas. A new contract for the waste service would shortly be signed which would mitigate the loss of recycling credits and put the Council on a much more stable financial footing. The Regulatory Services Business Manager, the project team and the working group were commended for delivering a very complicated piece of work;

(h) advised that the Council was in the process of procuring a significant new housing repairs contract which should enable the Council to exploit new technology and improve the quality of service offered to tenants. The leisure contract had been aligned to cover the Melton Sports Village with the Waterfield site and would run until 2022. The Council could now look again at what the overall future leisure offer in Melton should be and a full options appraisal had been commissioned. The outcome of this would be reported to the Council later in the year;

(i) reported on a number of external accreditations and awards: the re-accreditation of the Customer Service Excellence standard and the award of the Matrix Standard for the quality of advice and guidance provided by the Me and My Learning service. The Council's strong track record of partnership had also been recognised at the Local Government Chronicle Awards for the innovative Lightbulb Project;

(j) highlighted the progress being made towards becoming a more commercial organisation through the Timesage brand and the adoption of a Commercial Strategy to focus effort on maximising the value from existing trading services as well as exploring new potential commercial ventures;

(k) referred to a number of challenges the Council had faced in the past year, especially the snap general election in June 2017 which came so soon after the County Council elections, and the emergency evacuation of the offices due to a suspicious package. The latter incident had led to a review of the Council's emergency planning procedures;

(l) mentioned the recent acknowledgement made to Councillor Graham MBE for his 30 years of service on the Council. The Leader also took the opportunity to acknowledge the commitment shown by the following officers who had also reached 30 years service to the authority:

- Sally Renwick, Elections Officer
- Julie Osbourne, Customer Service
- Sarah Evans, Senior Democracy Officer

The Director of Corporate Services, Dawn Garton, would also be reaching 30 years service in June. He invited Members to join him in thanking these members of staff for their efforts and dedication to the Council;

(m) concluded his report by referring to the past year as not just one of achievement but also a time of reflection and change with the adoption of a new corporate management structure, the LGA Peer Challenge process, and the resultant adoption of a new Corporate Delivery Plan and associated changes to the Council's Governance arrangements, the second phase of which would start over

the next few months. The Leader stated the Council could look to the future with excitement and renewed confidence; this was a significant time for Melton and the Borough. He thanked all Members and Officers for their hard work and commitment over the last 12 months and going forward.

The Mayor thanked the Leader for his report and wished to place on record her own thanks to the Officers and staff for their hard work.

CO10

ELECTION OF DEPUTY LEADER

Councillor Botterill proposed that Councillor Higgins be appointed as Deputy Leader of the Council.

Councillor Orson seconded the proposal and spoke briefly about Councillor Higgins' qualities, thanking him for his support which made them a good team for the benefit of the Council.

On being put to the vote, the motion was carried unanimously.

RESOLVED that Councillor Higgins be appointed Deputy Leader of the Council for the period until the Annual Meeting in 2019.

CO11

APPOINTMENT OF LEADER OF THE OPPOSITION

The Chief Executive reported that as a result of the Council's current political balance, and confirmation received from the two Single Councillors, there was no Leader of the Opposition to appoint.

CO12

NEW MAYOR'S ANNOUNCEMENTS

The Mayor

(a) advised Members that Honorary Alderman Colin Chapman had recently moved to Scalford Court Care Home. Honorary Alderman Mrs Dames MBE had been to visit him and he was being well cared for;

(b) announced her two chosen charities to be the beneficiaries of the Mayor's Appeal for 2018/19 would be Rainbows Hospice and the Air Ambulance Service and briefly spoke on why she had chosen these charities. A charity quiz evening would be held at Parkside on 8 June run by Mr Richard Angrave;

(c) reported that the Civic Service was to be held on 7 October 2018 at Bottesford parish church. The proceeds of the collection would be split equally between both Muston and Bottesford churches;

(d) announced that the Civic Dinner would be held on Friday 8 March 2019 at Brooksby Hall;

(e) referred to the special parade which was to take place through Melton Mowbray on Friday 27 July to mark the centenary of the RAVC. The town had always been immensely proud to be associated with the RAVC and she was

honoured to be invited to the Defence Animal Training Regiment for the celebratory lunch after the parade.

CO13

ALLOCATION OF SEATS ON COMMITTEES AND SUB-COMMITTEES, MEMBERSHIP OF FORUMS, PARTNERSHIPS, WORKING GROUPS, AND OUTSIDE ORGANISATIONS

Members had before them the Chief Executive's report with the appendices tabled at the meeting which asked the Council to note the allocation of seats on Committees and Sub-Committees in accordance with the political balance rules set out in the Local Government and Housing Act 1989, S15-17 (as amended) and receive nominations of Councillors to serve on each Committee and the Sub-Committees as well as appointments of Chairs and Vice Chairs, Forums, Partnerships, Working Groups, and Outside Organisations for the period to the Annual Meeting in 2019.

Councillor Orson moved the recommendations as set out in the Order Paper circulated at the meeting en bloc. The motion was seconded by Councillor Higgins who congratulated the chairs and vice-chairs, in particular Councillor Cumbers for her work as chair of the Governance Committee. Upon being put to the vote, the motion was carried.

RESOLVED: that

(1) the political balance percentages and number of seats allocated to each political group as set out in the table below be noted :-

Group	No. of Councillors	Percentage	Allocation of Seats over 7 Committees
Conservative	26	92.86%	58.50 = 59
Single Cllr (Ind)	1	3.57%	2.25 = 2
Single Cllr (Lab)	1	3.57%	2.25 = 2
Totals	28	100%	63 seats

(2) the allocation of Councillors to each Committee and Sub-Committee as set out below and the nominations as submitted by the Conservative Group Leader for the period to the Annual Meeting in 2019 be as follows :-

Appeals Committee: 5 Members

4 Conservative:

P. Cumbers

M.C.R. Graham MBE (Chair)

J. Hurrell

S. Lumley

1 Single Cllr:

E. Holmes

Corporate Committee: 10 Members

9 Conservative:

P. Cumbers
R de Burle
M. Glancy
L. Higgins (Vice Chair)
E. Hutchison
A. Pearson
J.T. Orson (Chair)
J.B. Rhodes
J. Wyatt

Single Cllr:

E. Holmes

Governance Committee: 10 Members

9 Conservative:

T. Bains
T. Beaken
P. Cumbers (Chair)
J. Douglas
P. Faulkner
M. Glancy
J. Illingworth
P. Posnett MBE
J. Simpson (Vice Chair)

Single Cllr:

M. Blase

People Committee: 10 Members

9 Conservative:

T. Beaken
R de Burle (Vice Chair)
P. Faulkner
M.C.R. Graham MBE
S. Lumley
A. Pearson (Chair)
P.M. Posnett MBE
M.R. Sheldon
D. Wright

Single Cllr:

M. Blase

Place Committee: 10 Members

9 Conservative:

T. Beaken

G.E. Botterill
R. de Burle
A. Freer-Jones (Vice Chair)
L. Higgins
E. Hutchison
M. Glancy
M.R. Sheldon (Chair)
J. Simpson

Single Cllr:

M. Blase

Planning Committee: 11 Members

10 Conservative:

P. Baguley
T. Bains
G.E. Botterill
P. Cumbers
P. Faulkner
M. Glancy
T. Greenow
J. Illingworth (Chair)
P.M. Posnett MBE (Vice Chair)
J.B. Rhodes

Single Cllr:

E. Holmes

Recruitment Committee: 7 Members

6 Conservative:

P. Cumbers
M. Glancy
L. Higgins (Vice Chair)
J. Illingworth
J.T. Orson
A. Pearson

Single Cllr:

E. Holmes

Licensing & Regulatory Committee: 10 Members

Political balance not required. 3 out of any of the 10 Members may take part in Licensing Sub-Committees and Licensing Panels.

Conservative:

P. Baguley (Vice Chair)
P. Cumbers
J. Douglas

P. Faulkner
A. Freer-Jones
T. Greenow
J. Hurrell
J. Simpson
J. Wyatt (Chair)

Single Cllr:

E. Holmes

Governance Sub Committee 1: 5 Members

4 Conservative:

T. Beaken
T. Bains
J. Douglas
J. Simpson (Chair)

Single Cllr:

M. Blase

Governance Sub Committee 2: 5 Members

4 Conservative:

P. Cumbers (Chair)
P. Faulkner
J. Illingworth
P.M. Posnett MBE

Single Cllr:

M. Blase

(3) to approve the proposals of the political group for the positions of chairs and vice chairs of committees and for the sub committees for the period to the Annual meeting in 2019;

Committee	Chair 2018/19	Vice Chair 2018/19
Appeals	M.C.R. Graham MBE	N/A
*Corporate	J.T. Orson	L. Higgins
Governance	P. Cumbers	J. Simpson
Licensing & Regulatory	J. Wyatt	P. Baguley
People	A. Pearson	R. de Burle

Place	M. Sheldon	A. Freer-Jones
Planning	J. Illingworth	P.M. Posnett MBE
*Recruitment	J.T. Orson	L. Higgins
Governance Sub Committee 1	J. Simpson	N/A
Governance Sub Committee 2	P. Cumbers	N/A

(4) to approve the following allocation of Councillors to each Working Group and the nominations, including Forums and Partnerships, as submitted by the Political Group Leader for the period to the Annual Meeting in 2019:

Forums	No. of Cllrs	Appointments 2018/19
Seniors' Forum	4	People Cttee Chair People Cttee Vice Chair P. Cumbers J. Wyatt
Partnerships		
Members' Advisory Group	1	*Leader
Melton Safer Communities Partnership	1	M.C.R Graham MBE
Melton Community Partnership	1	*Leader
Working Groups		
Joint Staff Working Group <i>Political balance required</i>	7	<u>6 Conservative</u> P. Cumbers M.C.R. Graham MBE J. Illingworth S. Lumley J.T. Orson P.M. Posnett MBE <u>Single Cllr:</u> E. Holmes
Melton Local Plan Working Group	9	<u>8 Conservative:</u> P. Cumbers J. Douglas

M. Glancy (Chair)
 T. Greenow
 J. Illingworth
 L. Higgins
 P.M. Posnett MBE
 J. Simpson

Single Cllr: M. Blase

(5) to approve the proposals of the political group for appointments to Outside Organisations for the period to the Annual Meeting in 2019:

Organisation	No. of Cllrs	Appointments 2018/19
East Midlands Council Representative	1	Leader – Deputy Leader (Sub)
Fairtrade Steering Group	1	P. Cumbers
Friends of Carnegie Museum	1	*Place Chair
Grantham Canal Partnership	1	P.M. Chandler
Homestart Management Committee	1	*People Chair
LGA – General Assembly	1	*Leader
Leicestershire & Rutland Heritage Forum	1	*Place Chair
Leicestershire & Rutland Playing Fields Association	1	*Place Chair
Melton Business Improvement District (BID)	1	M. Glancy
Melton & Oakham Waterways Local Authority Working Group	1	*Place Chair
Melton & District Furniture Project	1	P. Cumbers

Melton Young Singles Trust (MYST)	1	*People Chair
Police & Crime Panel	1	M.C.R. Graham MBE A. Pearson (Sub)
Rural Services Network & SPARSE	1	*Place Chair
Sir John Sedley Educational Foundation	1	M.C.R. Graham MBE

*In the event that the Leader or the allocated Chair is unable to attend, the Deputy Leader or the relevant Vice Chair be appointed as their substitute.

(6) to note that political balance is not required for the Licensing and Regulatory Committee;

(7) to note that in accordance with the political balance rules set out in the Local Government and Housing Act 1989, S15-17 (as amended) political balance is to be achieved in total across all the committees and within all individual committees requiring political balance and to note also that political balance applies to sub-committees as required:

(8) to note that political balance has been applied to the two politically balanced working groups in accordance with the legislation outlined above;

(9) to note the principle that where a large group occupies all but one or two seats on the Council, the first rule prohibiting single party committees takes precedence, and the Council must make one place available for the other Councillor(s) on each committee/sub committee and each politically balanced working group.

CO14

CALENDAR OF MEETINGS 2018/19

A calendar of meetings for the 2018/19 civic year had previously been circulated.

The calendar of meetings was proposed by Councillor Orson with the additional recommendation that the Chief Executive be given delegated authority in consultation with the relevant Committee Chair to change the date of a Committee where considered expedient to meet business needs.

Upon being put to the vote, the motion was carried unanimously.

RESOLVED:

(1) to approve the Calendar of Meetings for 2018/19 as circulated;

(2) to approve that delegated authority be granted to the Chief Executive in consultation with the relevant Committee Chair to change the date of a Committee meeting to meet the business needs of the Council.

The meeting closed at: 8.15 pm

Mayor

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Advice on Members' Interests

COUNCIL MEETINGS - COMMITTEE MINUTES : DECLARATION OF INTERESTS

Interests need not be declared at Full Council in relation to Committee Minutes which do not become the subject of debate at Full Council (i.e. Minutes referred to solely on a page by page basis when working through the Minutes of each Committee.)

An interest must be declared at Full Council as soon as it becomes apparent that a relevant Committee Minute is to be debated – this applies even if an interest has been declared at Committee and is recorded in the Minutes of that Committee.

PERSONAL AND NON-PECUNIARY INTERESTS

If the issue being discussed affects you, your family or a close associate more than other people in the area, you have a personal and non-pecuniary interest. You also have a personal interest if the issue relates to an interest you must register under paragraph 9 of the Members' Code of Conduct.

You must state that you have a personal and non-pecuniary interest and the nature of your interest. You may stay, take part and vote in the meeting.

PERSONAL AND PECUNIARY INTERESTS

If a member of the public, who knows all the relevant facts, would view your personal interest in the issue being discussed to be so great that it is likely to prejudice your judgement of the public interest and it affects your or the other person or bodies' financial position or relates to any approval, consent, licence, permission or registration then **you must state that you have a pecuniary interest, the nature of the interest and you must leave the room***. You must not seek improperly to influence a decision on that matter unless you have previously obtained a dispensation from the Authority's Governance Committee.

DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

If you are present at any meeting of the Council and you have a disclosable pecuniary interest in any matter to be considered or being considered at the meeting, if the interest is not already registered, you must disclose the interest to the meeting. You must not participate in the discussion or the vote and you must leave the room.

You may not attend a meeting or stay in the room as either an Observer Councillor or *Ward Councillor or as a member of the public if you have a pecuniary or disclosable pecuniary interest*.

BIAS

If you have been involved in an issue in such a manner or to such an extent that the public are likely to perceive you to be biased in your judgement of the public interest (bias) then you should not take part in the decision-making process; you should leave the room. **You should state that your position in this matter prohibits you from taking part.** You may request permission of the Chair to address the meeting prior to leaving the room. The Chair will need to assess whether you have a useful contribution to make or whether complying with this request would prejudice the proceedings. A personal, pecuniary or disclosable pecuniary interest will take precedence over bias.

In each case above, you should make your declaration at the beginning of the meeting or as soon as you are aware of the issue being discussed.*

*There are some exceptions – please refer to paragraphs 13(2) and 13(3) of the Code of Conduct

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FULL COUNCIL

18 JULY 2018

REPORT OF DIRECTOR FOR CORPORATE SERVICES

ANNUAL REPORT ON THE TREASURY MANAGEMENT ACTIVITIES AND ACTUAL PRUDENTIAL INDICATORS 2017-18

1.0 PURPOSE

- 1.1 The Annual Treasury Report is a requirement of the Council's reporting procedures and provides a summary of the Treasury activities in 2017-18. The report also covers the actual position on the Prudential Indicators in accordance with the Prudential Code.
- 1.2 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both codes through Regulations issued under the Local Government Act 2003.

2.0 RECOMMENDATIONS

- 2.1 **The Treasury Management Annual Report for 2017-18 be approved and;**
- 2.2 **The actual position on Prudential Indicators for 2017-18 is noted.**

3.0 KEY ISSUES

- 3.1 The Treasury Management Code of Practice is reviewed and the Strategy is approved at the start of each financial year. These documents in respect of the 2017/18 financial year were approved by Full Council as part of the budget setting process on 8 February 2017:-
 - 1. Borrowing and Investment Objectives.
 - 2. Capital Finance Objectives.
 - 3. Investment and Borrowing Strategies.
 - 4. Borrowing limits.
- 3.2 Updates have been provided to Members on a quarterly basis through the Members Newsletter of which the format is currently being reviewed.
- 3.3 Continued changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the year end position for treasury activities and highlights compliance with the Council's policies previously approved by members. The Council has complied with the requirement of the Code to give prior scrutiny to all of the above treasury management reports by the Budget & Strategic Planning Working Group before they are reported to the Full Council. Moving forward the Corporate Committee will undertake the scrutiny function following the recent governance review.
- 3.4 During 2017-18 the Council complied with the legislation and regulatory requirements which limit the levels of risk associated with its Treasury Management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means that its capital expenditure was prudent,

affordable and sustainable and its treasury practices demonstrated a low risk approach. The key prudential indicators for the year, with comparators, are as follows:

Prudential and treasury indicators	2016/17 Actual £m	2017/18 Original £m	2017/18 Actual £m
Capital expenditure	6.755	7.010	4.012
Capital Financing Requirement:			
• Non-HRA	0.126	0.113	0.113
• HRA	31.484	31.484	31.484
• Total	31.610	31.597	31.597
Gross borrowing / Debt	31.413	31.413	31.413
Investments	Investments of £20.5m are for less than one year	Investments of £9m are for less than one year. £2m was also anticipated to be allocated in a property fund which is longer than 1 year	Investments of £18.1m are for less than one year. The property fund of £2m is longer than 1 year.

No borrowing was undertaken for any further purpose and the Council's maximum actual borrowing position of £31.413m was within its Statutory Borrowing Limit and the Authorised Limit of £46m. At 31 March 2018, the Council's external debt was £31.413m (£31.413m at 31 March 2017) and its investments totalled £20.1m (£20.5m at 31 March 2017).

The anticipated level of investments in 2017/18 was forecast in the February 2017 following which the level of investments have been higher than predicted due to an underspend on the both the capital programme in 2016/17 and 2017/18. Also, during the course of the year the cash balances have been higher.

- 3.5 The Annual Report provides comprehensive detail of the activities undertaken on treasury management during the last financial year. It provides, at Appendix A, the performance of the prudential indicators against the indices set by the Council as part of the budget setting process.

The key areas to note are:

- a) The ratio of the financing costs to the net revenue stream has reduced in respect of the General Fund (-2.74% in 2017-18 compared to -0.78% in 2016-17) and decreased marginally in respect of HRA (13.23% in 2017-18 compared to 13.67% in 2016-17 as per Appendix A). You will notice that there has been little movement between the two years on the HRA due to debt levels being stable. On the general fund there are no financing costs (i.e. no debt) therefore whilst there have been movements between the two years it is still a negative position overall.
- b) The gross borrowing except in the short term should not exceed the CFR and at the 31 March 2018 was below that figure, primarily due to a small amount of internal borrowing on the HRA. This is to ensure that borrowing levels are prudent and over the medium term the Council's external borrowing, net of investments, is only for a capital purpose.

- c) The overall investment rate was 1.00% when compared to 0.70% in 2016-17, this was mainly due to investment in the property fund which achieved an average return during the year of 4.865% and income of £82k. As the average rate achieved was higher than budgeted and with the balances held being higher than budgeted this resulted in £189k of additional income against the original budget (£43k against predicted year end position).

3.6 The 2017-18 financial year has continued to be a testing and difficult economic environments in which to manage investments. It has featured a number of very significant changes in the performance of the UK as well as the global economy. This was not an easy backdrop in which to undertake treasury management activities, particularly investments but the Council has worked hard to maximise returns which has resulted in an increased average rate of return as outlined in para 3.5.

3.7 The investment portfolio has now changed to incorporate more diversification in terms of both counterparty and maturity. As interest rates are currently at low levels it is not a good time to be locking funds into very long term investments through standard bank deposits and therefore the lengthening of the portfolio out to twelve months is currently as far as is reasonable for these types of investments. In order to maximise investment returns the council made a number of changes to the strategy during the previous year of which the main change being the addition of property funds as an investment option. The Council placed £2m into a CCLA property fund which has generated positive returns for the Council as outlined in para 3.5 (c).

3.8 Revised CIPFA Codes

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code. A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the Authority have been apportioned between treasury and non-treasury investments. Therefore, officers intend to bring an updated Capital Strategy to members during 2018/19 to meet the new requirements of the code

3.9 Markets in Financial Instruments Directive (MiFID II)

New regulations were introduced as part of EU legislation relating to The Markets in Financial Instruments Directives (MiFID II) from 3rd January 2018 which impacts on investment intermediaries i.e. financial instruments that the Council places its investments through. Under the new regulations local authorities will be classified as de facto “retail” counterparties which means Councils would only be able to use investment vehicles such as term deposits but not pooled investment vehicles such as Money Market Funds or property funds which Melton currently uses.

However, there was an option to ask to opt up to “professional” status subject to meeting qualitative and quantitative criteria that would enable councils to continue investing in pooled investments funds. The Quantitative criteria was made up as follows:

1. A Local Authority has to have an investment portfolio of at least £10m.

And either;

2. 10 transactions per quarter in a relevant market in past 4 quarters

Or

3. At least 1yr experience in professional position in financial markets which requires knowledge of transactions or treasury services.

Based on the current level of balances at the time and experience of Melton officers responsible for placing investments the Council was able to demonstrate it meet the criteria outlined above in order to enable it to continuing placing investments in accordance with Council's treasury strategy.

Officers duly completed all the necessary 'opting up' forms, however, it should be noted the 'opting up' process will need to be undertaken on an annual basis and if the Council's total investments dropped below £10m then this could impact on the investment funds the Council could use and in turn the investment rates / income the Council could achieve.

3.10 Housing Company

The Council is in the process of developing a Collaborative Housing Development Company with other district Councils across Leicestershire with the initial objectives to develop housing for mixture tenure and maximise affordable housing delivery. If this progresses then the Council may be required to put some funding into this that may be sourced through external borrowing. Any additional income generated will be used to support the Councils Medium Term Financial Plan and would feature as a key element of the Budget Management Strategy as a way of generating income to help address the budget deficit over the medium term.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 The Treasury Management Strategy and Policy is a corporate document which links to the Medium Term Financial Strategy. The Annual Report provides details of all the Treasury Management activities undertaken during the year.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 The Treasury Management Strategy and Policy are core financial policies which underpin all the work of the Treasury Management function and incorporate any implications arising from the capital programme.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 The Local Government Act 2003 provides the powers to invest and borrow as well as providing controls and limits on the activity.

7.0 COMMUNITY SAFETY

7.1 There are no direct links to community safety arising from this report.

8.0 EQUALITIES

8.1 There are no direct equality issues arising from this report.

9.0 RISKS

9.1 These are assessed as part of the Corporate Services Risk Register. The Treasury Management Policy has various limits in place in order to mitigate any likelihood of loss to the Council.

10.0 CLIMATE CHANGE

10.1 There are no climate change issues arising from this report.

11.0 CONSULTATION

11.1 Consultation takes place with the Council's treasury consultants at regular intervals throughout the year. Members of the Corporate Committee review this report at their meeting held on the 9th July 2018.

12.0 WARDS AFFECTED

12.1 To varying degrees, all wards are affected indirectly.

Contact Officer: Natasha Allsopp – Senior Management Accountant

Date: 12 June 2018

Appendices: Appendix A – Annual Report on Treasury Management & Prudential Indicators

Background Papers: Statement of Accounts
Final Accounts Working Papers

Reference: X: C'tees, Council & Sub-C'tees/Full Council/2018-19/18-07-2018/ Treasury Management Annual Report 2017-18

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Annual Treasury Management Review 2017/18

English Local Authorities

Annual Treasury Management Review 2017/18

1. Introduction

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2017/18 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year Full Council 8th February 2017
- a mid-year (minimum) treasury update report Full Council 12th December 2017
- an annual review following the end of the year describing the activity compared to the strategy (this report)

In addition, Members have received quarterly treasury management update reports as part of the Members' Newsletter.

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

This Council 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 Budget and Strategic Planning Working Group before they were reported to the full Council.

2. The Economy and Interest Rates - Commentary by LINK Asset Services

During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year which meant that growth was the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up modestly in the second half of 2017. Consequently, market expectations during the autumn, rose significantly that the MPC would be heading in the direction of imminently raising Bank Rate. The minutes of the MPC meeting of 14 September indicated that the MPC was likely to raise Bank Rate very soon. The 2 November MPC quarterly Inflation Report meeting duly delivered by raising Bank Rate from 0.25% to 0.50%. The 8 February MPC meeting minutes then revealed another sharp hardening in MPC warnings on a more imminent and faster pace of increases in Bank Rate than had previously been expected.

Market expectations for increases in Bank Rate, therefore, shifted considerably during the second half of 2017-18 and resulted in **investment rates** from 3 – 12 months increasing sharply during the spring quarter.

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

The major UK landmark event of the year was the inconclusive result of the **general election** on 8 June. However, this had relatively little impact on financial markets.

3. Overall Treasury Position as at 31 March 2018

At the beginning and the end of 2017/18 the Council's treasury, (excluding borrowing by PFI and finance leases (note Melton has no PFI's and only 1 finance lease), position was as follows:

TABLE 1	31 March 2017 Principal £m	Rate/ Return	Average Life yrs	31 March 2018 Principal £m	Rate/ Return	Average Life yrs
Total debt	31.413	3.72%	32	31.413	3.72	32
CFR	31.610			31.597		
Over / (under) borrowing	(0.197)			(0.184)		
Total investments	20.500	0.70%	Under 1 year	20.100	1.00%	£18.1m Under 1 year, £2m over 1 year
Net debt	10.913			11.313		

4. The Strategy for 2017/18

The expectation for interest rates within the treasury management strategy for 2017/18 anticipated that Bank Rate would not start rising from 0.25% until quarter 2 2019 and then only increase once more before 31.3.20. There would also be gradual rises in medium and longer term fixed borrowing rates during 2017/18 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk. However, as anticipated no new borrowing during 2017-18.

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

5. The Borrowing Requirement and Debt

The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

	31 March 2017 Actual £m	31 March 2018 Budget £m	31 March 2018 Actual £m
CFR General Fund (£m)	0.126	0.113	0.113
CFR HRA (£m) (<i>if applicable</i>)	31.484	31.484	31.484
Total CFR	31.610	31.597	31.597

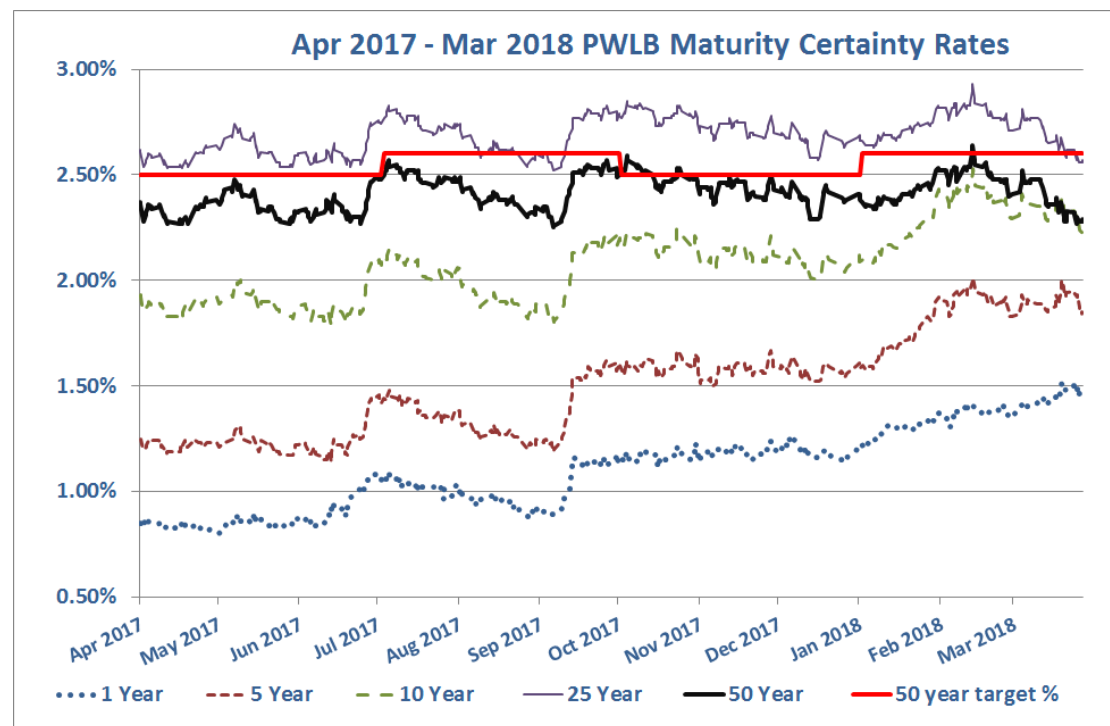
6. Borrowing Rates in 2017/18

PWLB certainty maturity borrowing rates

As depicted in the graph and tables below and in appendix 3, PWLB 25 and 50 year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March.

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

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



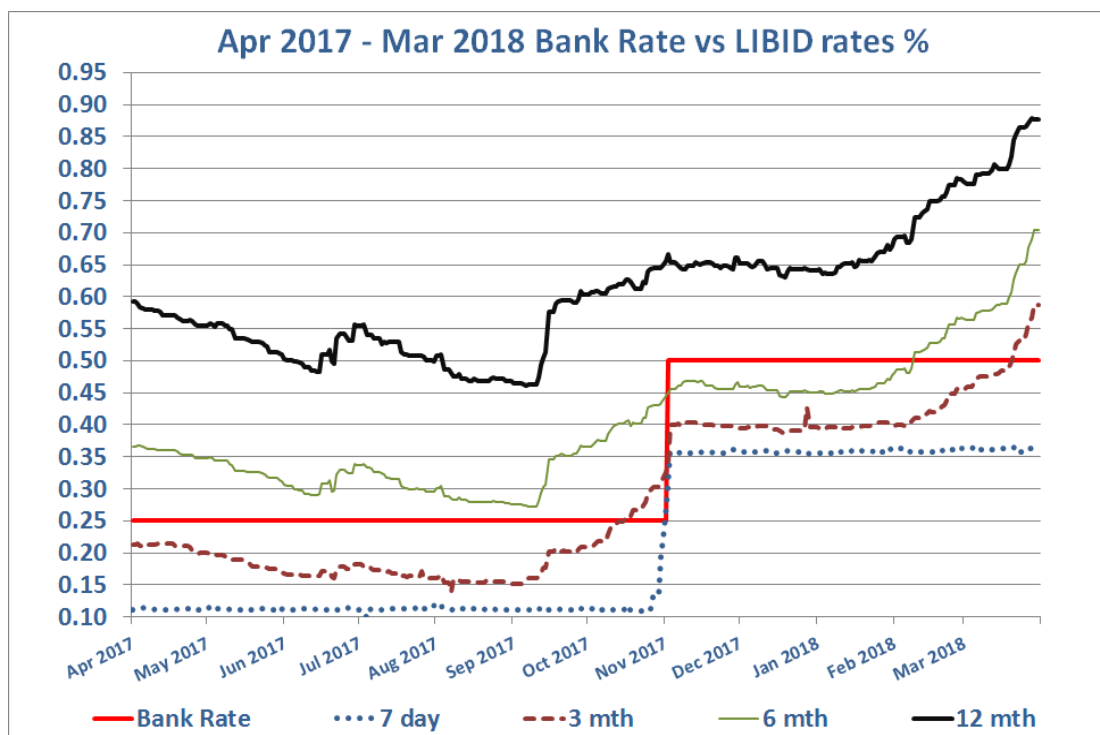
7. Borrowing Outturn for 2017/18

There were no borrowing requirements during 2017/18.

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

8. Investment Rates in 2017/18

Investments rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25%, and reached a peak at the end of March. Bank Rate was duly raised from 0.25% to 0.50% on 2.11.17 and remained at that level for the rest of the year. However, further increases are expected over the next few years. Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England; this facility ended on 28.2.18.



9. Investment Outturn for 2017/18

Investment Policy – the Council’s investment policy is governed by MHCLG guidance, which has been implemented in the annual investment strategy approved by the Council on 8th February 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

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

Investments held by the Council - the Council maintained an average balance of £22.8m of internally managed funds. The internally managed funds earned an average rate of return of 1.0% excluding the property fund. The comparable performance indicator is the average 7-day LIBID rate, which was 0.2145%. This compares with a budget assumption of £9m investment balances earning an average rate of 1.0%.

Whilst the average rate achieved was similar to budgeted, when taking into account the property fund return of £82k (4.865% average rate of return) and the balances held were higher than budgeted. This resulted in £189k of additional income against the original budget (£43k against predicted year end).

The anticipated level of investments in 2017/18 was forecast in the February 2017 following which the level of investments have been higher than predicted due to an underspend on the both the capital programme in 2016/17 and 2017/18. Also, during the course of the year the cash balances have been higher. Between each year there are fluctuations in the capital programme spending as a result of the carry forwards.

10. Other Issues

1. Revised CIPFA Codes

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code.

A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the Authority have been apportioned between treasury and non-treasury investments. Officers will report to members when the implications of these new codes have been assessed as to the likely impact on this Authority.

2. Markets in Financial Instruments Directive II (MiFID II)

The EU set the date of 3 January 2018 for the introduction of regulations under MIFID II. These regulations govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This has had little effect on many authorities apart from having to fill in forms sent by each institution dealing with this Authority and for each type of investment instrument we use, apart from for cash deposits with banks and building societies.

Appendix 1: Prudential and Treasury Indicators

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

Actual prudential and treasury indicators	2016/17 Actual £m	2017/18 Original £m	2017/18 Actual £m
Capital expenditure			
• General Fund	5.009	0.846	1.261
• HRA (<i>if applicable</i>)	1.746	6.164	1.746
• Total	6.755	7.010	4.012
Capital Financing Requirement:			
• General Fund	0.126	0.113	0.113
• HRA (<i>if applicable</i>)	31.484	31.484	31.484
• Total	31.610	31.597	31.597
Gross borrowing	31.413	31.413	31.413
External debt	31.413	31.413	31.413
Investments			
• Longer than 1 year	Investments of £20.5m are for less than one year	Investments of £9m are for less than one year. £2m was also anticipated to be allocated in a property fund which is longer than 1 year	Investments of £18.1m are for less than one year. The property fund of £2m is longer than 1 year.
• Under 1 year			
• Total			
Net borrowing	10.913	20.413	11.313

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 (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2017/18.

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

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

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2017/18 £m
Authorised limit	46.000
Maximum gross borrowing position	31.413
Operational boundary	36.539
Average gross borrowing position	31.413
Financing costs as a proportion of net revenue stream – General Fund	-2.74%
Financing costs as a proportion of net revenue stream – HRA	13.23%

TABLE 1	31 March 2017 Principal £m	Rate/ Return	Average Life yrs	31 March 2018 Principal £m	Rate/ Return	Average Life yrs
Fixed rate funding:						
-PWLB	31.413	3.72%	32	31.413	3.72%	32
-Market	0	0%	0	0	0%	0
Variable rate funding:						
-PWLB	0	0%	0	0	0%	0
-Market	0	0%	0	0	0%	0
Total debt	31.413	3.72%	32	31.413	3.72%	32
CFR	31.610			31.597		
Over/ (under) borrowing	(0.197)			(0.184)		
Total investments	20.500	0.70%		20.100	1.00%	
Net debt	10.913			11.313		

The maturity structure of the debt portfolio was as follows:

	31 March 2017 Actual £m	31 March 2018 Actual £m
Under 5 years	0	0
5 years and within 10 years	4.098	4.098
10 years and within 20 years	0.600	0.600
20 years and within 30 years	10.000	10.000
30 years and within 40 years	10.840	10.840
40 years and within 50 years	5.875	5.875

The maturity structure of the investment portfolio was as follows:

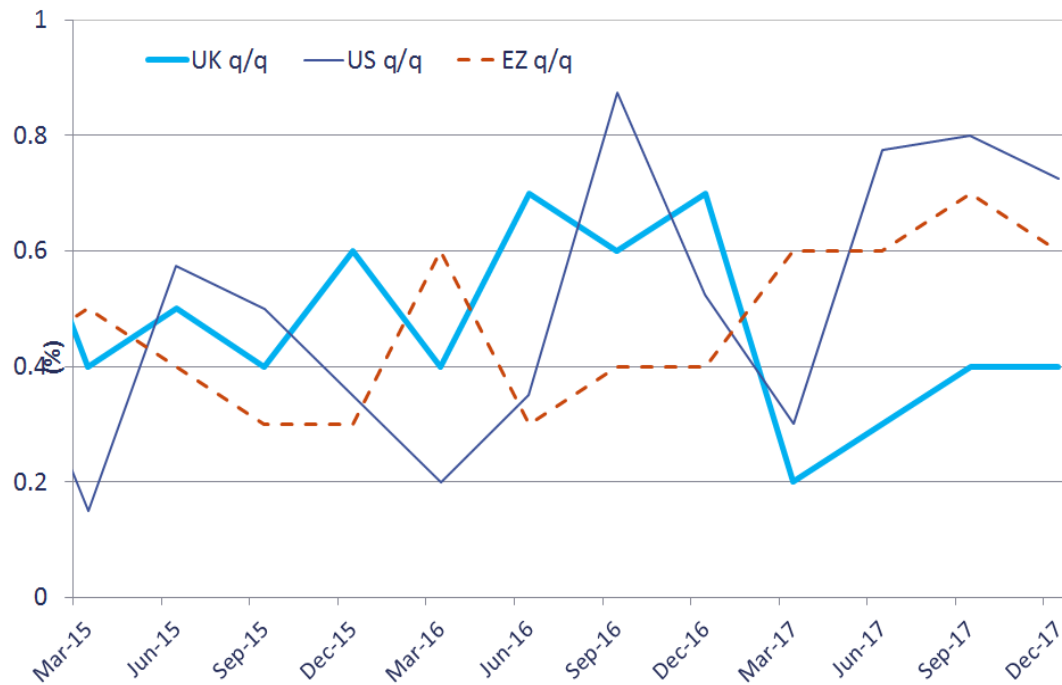
	2016/17 Actual £000	2017/18 Original £000	2017/18 Actual £000
Investments Longer than 1 year Under 1 year Total	Investments of £20.5m are for less than one year	Investments of £9m are for less than one year	Investments of £18.1m are for less than one year. The property fund of £2m is longer than 1 year.

The exposure to fixed and variable rates was as follows:

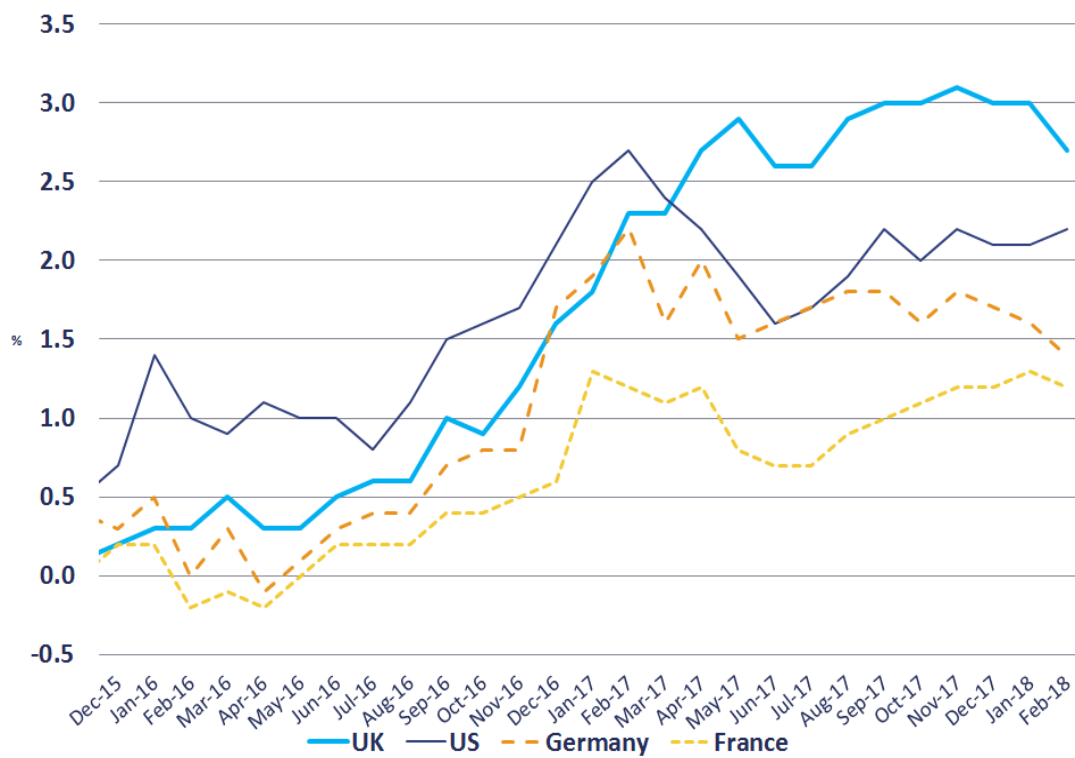
	31 March 2017 Actual £m	31 March 2018 Actual £m
Fixed rate (principal or interest) based on net debt	12.413	11.413
Variable rate (principal or interest) based on net debt	-1.5	-0.1

Appendix 2: Graphs

Quarterly GDP %



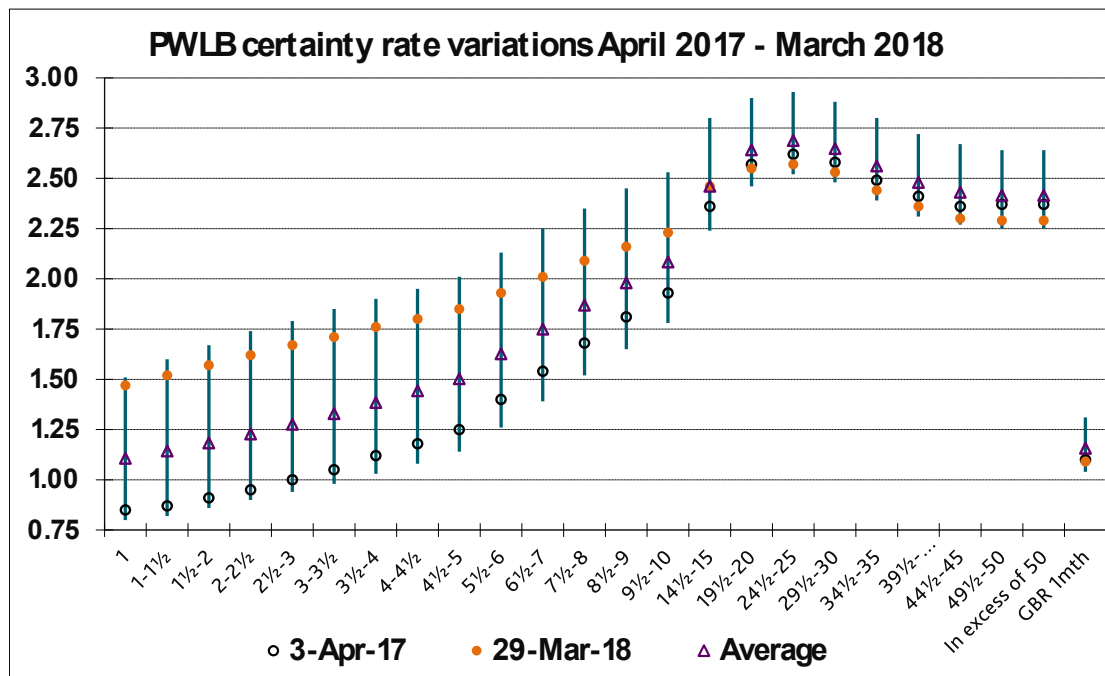
Inflation UK, US, Germany and France



Appendix 3: Borrowing and investment rates

Please find below supplementary graphs and tables which clients may wish to use.

1. PWLB borrowing rates



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

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

2. Money market investment rates 2017/18

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

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