

# Public Document Pack



## Department of Corporate Resources

Members of Council

### Committee Secretariat

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Your Ref: AT/Council

Date: 8 October 2018

Dear Councillor

### MEETING OF COUNCIL – TUESDAY, 16 OCTOBER 2018

You are requested to attend the meeting of the Council to be held in the Council Chamber, City Hall - City Hall, Bradford, City Hall, Bradford, on Tuesday, 16 October 2018 at 4.00 pm

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink that reads 'P. Akhtar'.

Parveen Akhtar  
City Solicitor

#### Notes:

- ◆ This agenda can be made available in Braille, large print or tape format.
- ◆ The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place. Those present at the meeting should be aware that they may be filmed or sound recorded.

The Council's Fire Bell and Evacuation Procedure requires people to leave the building in an orderly fashion by the nearest exit, should the fire alarm sound. No one will be allowed to stay or return until the building has been checked.

**Members are reminded that under the Members' Code of Conduct, they must register within 28 days any changes to their financial and other interests and notify the Monitoring Officer of any gift or hospitality received.**

## AGENDA

### A. PROCEDURAL ITEMS

#### 1. DISCLOSURES OF INTEREST

(Members Code of Conduct - Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

*Notes:*

- (1) *Members may remain in the meeting and take part fully in discussion and voting unless the interest is a disclosable pecuniary interest or an interest which the Member feels would call into question their compliance with the wider principles set out in the Code of Conduct. Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (2) *Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (3) *Members are also welcome to disclose interests which are not disclosable pecuniary interests but which they consider should be made in the interest of clarity.*
- (4) *Officers must disclose interests in accordance with Council Standing Order 44.*

#### 2. MINUTES

**Recommended –**

**That the minutes of the meeting held on 17 July 2018 be signed as a correct record (previously circulated).**

(Adrian Tumber – 01274 432435)

**3. APOLOGIES FOR ABSENCE**

**4. WRITTEN ANNOUNCEMENTS FROM THE LORD MAYOR**

*(To be circulated before the meeting).*

**5. INSPECTION OF REPORTS AND BACKGROUND PAPERS**

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Adrian Tumber - 01274 432435)

**B. BUSINESS ITEMS**

**6. PETITIONS**

To consider up to five requests for the Council to receive petitions in accordance with Standing Orders.

**Ward**

- |       |  |                                   |
|-------|--|-----------------------------------|
| (i)   | Bonn Road, Bradford – Residents Parking Scheme   | <b><u>Toller</u></b>              |
| (ii)  | Milman Swing Bridge, Apperley Bridge Road  | <b><u>Idle &amp; Thackley</u></b> |
| (iii) | Northcliffe Park – proposed site for crematorium   | <b><u>Shipley</u></b>             |
| (iv)  | Health and Environment in Shipley – proposed alterations to road junctions at the former Branch Hotel site and Otley Road/Valley Road, Shipley | <b><u>Shipley</u></b>             |

If any further requests are received, in writing, by mid-day three working days before the meeting (Thursday), details will be circulated.

(Fatima Butt - 01274 432227)

## 7. PUBLIC QUESTION TIME

There are no public questions.

(Fatima Butt - 01274 432227)

## 8. MEMBERSHIP OF COMMITTEES AND JOINT COMMITTEES

**Recommended -**

**That the appointment of the following non-voting co-opted representatives to the Children's Services Overview and Scrutiny Committee for the 2018/2019 municipal year be approved:**

**Teachers Secondary School Representative: Tom Bright  
Teachers Special School Representative: Irene Docherty  
Voluntary Sector Representative: Kerr Kennedy**

To consider any further motions (i) to appoint members to a Committee or a Joint Committee; or (ii) to appoint Chairs or Deputy Chairs of Committees (excluding Area Committees).

## 9. REPORT BY THE LEADER OF COUNCIL

A written report by the Leader of Council giving an update on key issues will be circulated before the start of the meeting. There shall be a period of up to 15 minutes during which any Member of Council may ask the Leader of the Council (or a Member of the Council nominated by the Leader) a question on any matter arising out of the written report.

## 10. MEMBER QUESTION TIME

To deal with supplementary questions arising from the attached questions of which written notice has been given.

*Notes:*

- (i) Answers to written questions shall be circulated at the commencement of the meeting.*
- (ii) The Lord Mayor will have regard to the list of questions and the political composition of the Council in calling on Members to put their supplementary question to the Leader of Council and Portfolio Holders.*
- (iii) A period of up to 30 minutes shall be available for supplementary questions to Members of the Executive.*

### **1. Councillor Abid Hussain**

Can the Portfolio Holder give an update on the Council's plans to increase footfall on Darley Street and other streets around the middle and top of town areas in the city centre?

**2. Councillor Debbie Davies**

Can the Portfolio Holder for Education, Employment and Skills inform colleagues of any actions which are being taken to meet the Children, Young People and Families Plan 2017-20 objective, of reducing unauthorised primary and secondary school absences within the district, to beneath the national average?

**3. Councillor Jeanette Sunderland**

What action is being taken to address the on-going potential safeguarding concerns arising from the limited capacity to conduct direct payment audits for social care clients?

**4. Councillor Kevin Warnes**

Now that the Council has demolished the Branch Hotel, one of Shipley's oldest local landmarks, in order to widen the nearby road, what steps have been taken to date to involve local residents and community groups in exploring the full range of possible design options for the new junction and thereby maximising its capacity for cutting air pollution and boosting low carbon travel, cycling and local walking networks?

**5. Councillor Angela Tait**

Would the Leader join me in congratulating the Bradford Chamber of Commerce and all supporting organisations in the success of the pilot Bradford Manufacturing Week which brought together manufacturers, schools, young people and parents through tours, work experience, seminars, exhibitions and learning events held at manufacturer premises and key locations across the district?

**6. Councillor Richard Dunbar**

Does the Leader agree that the Prime Minister as the creator of the hostile environment policy needs to take more proactive action to support members of the Windrush Generations rather than continue to blame them for their fate?

**7. Councillor John Pennington**

In light of the fact that the Bradford Brewery has closed after just 3 years trading, despite being awarded grants of £170,000, can the Leader of the Council advise colleagues of measures in place to ensure that grants awarded more recently, are likely to provide other than short term benefit?

**8. Councillor Taj Salam**

Can the Portfolio Holder tell me how much fly-tipping we have picked up in the last year and what is the cost?

**9. Councillor Richard Dunbar**

Would the Leader agree that the continued delay of the Fixed Odds Betting Terminals (FOBTs) stake reduction will do nothing but cause more harm to those suffering the harsh realities of problem gambling.

**10. Councillor Andrew Senior**

Can the Portfolio Holder for Environment, Sport and Culture give reason to the decisions for Sedbergh Sports & Leisure Centre to be constructed with no “all weather” pitches, whilst another site with all weather provision shuts early in the evening, before many people wish to / are able to play?

**11. Councillor Richard Dunbar**

Is the Leader in agreement that based on the Government’s record over the past 8 years that the so called fairer funding formula will in fact be unfair to local government and residents in Bradford?

**12. Councillor Geoff Reid**

Labour Councils in Manchester, Greenwich, Bristol and Lambeth have improved planning transparency by making their viability assessments for affordable housing public. Will Bradford Council follow this example to publish the viability assessments for affordable housing on new developments?

**13. Councillor Abid Hussain**

Can the Portfolio Holder give an update on the proposed Ilkley Business Improvement District.

**14. Councillor Robert Hargreaves**

Would the Portfolio Holder for Regeneration, Planning and Transport support an urgent review of the Council’s policy regarding roller shutters on shops, as the current affects of crime and other anti social behaviour are such that our nation of shopkeepers is at serious risk of being closed for business?

**15. Councillor Angela Tait**

Would the Leader join me in congratulating the National Science and Media Museum for producing The Bradford Science Festival which took place at the museum, in City Park and at The Broadway.

**16. Councillor Richard Dunbar**

A recently published report argues that the Universal Credit system is perpetuating inequality and facilitating abusive men’s control and coercion of their partners. What steps are being taken in Bradford to help mitigate the effects of this cruel and draconian policy?

**17. Councillor Russell Brown**

Would the Portfolio Holder for Children Services join with me in congratulating Stanbury Primary School’s recent Ofsted report with its reference to STEM activities and how they are integrated into the curriculum and note the anecdotal evidence regarding the increased number of female students wanting to take up engineering as a career option?

**18. Councillor Fozia Shaheen**

Could the Portfolio Holder share with me what engagement work is currently taking place in wards to provide support in the bonfire period,

I would be keen to know what is being done with youth, elderly, organisations etc in and around the wards?

**19. Councillor Fozia Shaheen**

Could the Portfolio Holder share with me the number of people who use the tip sites on average and also how much waste is collected on a quarterly basis and what is the money from waste being used for from the tip sites?

**20. Councillor Brendan Stubbs**

Can the Portfolio Holder provide a detailed breakdown of the number of hours each of the districts Council-run libraries have had to close early or temporarily over the last 12 months when they were timetabled to be open. Please include details for the reasons for those closures.

**21. Councillor Fozia Shaheen**

Could the Leader share with me how we are trying to make the chamber and politics in general more diverse in encouraging people from different backgrounds to be part of politics in the district.

**22. Councillor Rebecca Poulsen**

In light of the closure of the Haworth Visitor Information Centre can the Portfolio Holder for Environment, Sport and Culture confirm what proportion if any, of the £55,000 raised from the sale of the Penistone Hill toilet block will be invested in Haworth or on measures to promote Haworth as a tourist destination?

**23. Councillor Alan Wainwright**

Can the Portfolio Holder tell us the latest position on the Community Asset Transfer programme?

**24. Councillor Kevin Warnes**

When will the Council construct the small pavement buildout by the bus terminus at the end of the Higher Coach Road, bearing in mind that (a) this simple measure has been the subject of discussions with the ward councillors for nearly two years, and (b) it would make it easier for our elderly and disabled residents and parents with small children to get on and off their buses?

**25. Councillor Aneela Ahmed**

I welcome the initiative for the new 20 mph zones. Can the Portfolio Holder outline the implementation plan?

**26. Councillor Jackie Whiteley**

Can the Leader of the Council advise colleagues, via the provision of detailed figures for each of the last four years, whether in light of the significant drop in the number of Bradford Council employees, the council's spending on Union staff time, waived office rental costs, stationary supplies and parking spaces etc has fallen comparably and can the Council confirm that Union employee time funded by the Council Taxpayer, relates to Council Employee Welfare and is not utilised for Municipal and / or Parliamentary Campaigning?

**27. Councillor Tariq Hussain**

What events took place this summer to mark the anniversary of the Srebrenica genocide? Also what other activities is the council taking part in to tackle Islamophobia and other forms of hate?

**28. Councillor Tess Peart**

Can the Portfolio Holder tell us about some of the Christmas events planned this year in the district?

**29. Councillor David Ward**

What is the total cost of redundancy/early retirement payments associated with the Prevention and Early Help restructure?

**30. Councillor Fozia Shaheen**

Could the Portfolio Holder tell me what training and support is given to our adult social care workers in home care. Please could you share the training and update how effective it has been?

**31. Councillor Mike Pollard**

Can the Leader of the Council confirm the value of any Lender Option, Borrower Option (LOBO) Loans that the Council has, along with details of their duration and any interest rate rises, actual or possible, that should give cause for concern?

**32. Councillor Mohammed Shafiq**

What will be the impact of the £2m Heritage Lottery Fund grant at the top of town?

**33. Councillor Abid Hussain**

What is the latest situation on the parking review for Ilkley after the recent consultation?

**34. Councillor Chris Herd**

Would the Portfolio Holder for Regeneration, Planning and Transport advise colleagues why Historic England were not consulted regarding the decision to demolish Cherry Tree Farm, a listed building dating back several hundred years?

**35. Councillor Jeanette Sunderland**

Can you please advise by ward, per month for each of the last four years the number of broken street lights that have been reported and how many of them have been repaired within an eight week period?

**36. Councillor Richard Dunbar**

Would the Leader join me in congratulating the Fire Brigades Union who this year celebrate their centenary as an organisation.

**37. Councillor Debbie Davies**

As Organ Donation Week highlighted the fact that 15 people from Bradford died whilst on the waiting list in the past five years whilst 41 people from Bradford received a transplant last year, could the

Portfolio Holder for Healthy People and Places investigate measures which the Council could do, such as a link on the website etc, to encourage people to consider signing up to become organ donors after their death?

**38. Councillor Brendan Stubbs**

Can the Portfolio Holder please advise the length of waiting times for a place to join swimming lessons provided at each of the districts swimming pools, broken down by the different stages (Aquatots 0-4, Juniors 4+, Adults 16+ and Senior Citizens) and the Premium and Deluxe packages. As well as the number applicants in the waiting list at each stage or package for each of the pools.

**39. Councillor Martin Smith**

Could the Portfolio Holder for Regeneration, Planning and Transport advise members on the number of Compulsory Purchase Orders issued last year and during this year to date?

**11. RECOMMENDATIONS FROM THE EXECUTIVE AND COMMITTEES**

**11.1 RECOMMENDATION FROM THE GOVERNANCE AND AUDIT COMMITTEE - TREASURY MANAGEMENT POLICY STATEMENT, MINIMUM REVENUE PROVISION STRATEGY AND ANNUAL INVESTMENT STRATEGY 2018/19** 1 - 36

The report of the Assistant Director, Finance and Procurement (Governance and Audit Document “AD” 2017/18) shows the Council’s Treasury Strategy for borrowing for the three financial years commencing 2018/19 and the Annual Investment Strategy for 2018/19.

**Recommended-**

**That the report of the Governance and Audit Committee (Document “AD”) be adopted.**

(David Willis – 01274 432361)

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**11.2 RECOMMENDATION FROM THE GOVERNANCE AND AUDIT COMMITTEE - ANNUAL TREASURY MANAGEMENT REPORT 2017/18** 37 - 52

The report of the Assistant Director, Finance and Procurement (Governance and Audit Committee Document “P” 2018/19) shows the Council’s Treasury Management activities for the year ending 31 March 2018.

**Recommended –**

**That the report of the Governance and Audit Committee (Document “P”) be adopted.**

(David Willis – 01274 432361)

**11.3 RECOMMENDATION FROM THE GOVERNANCE AND AUDIT COMMITTEE - TREASURY MANAGEMENT MID YEAR REVIEW UP TO 31 AUGUST 2018**

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The report of the Assistant Director, Finance and Procurement (Governance and Audit Committee Document "Q" 2018/19) shows the Council's Treasury Mid Year Review up to 31 August 2018.

**Recommended –**

**That the report of the Governance and Audit Committee (Document "Q") be adopted.**

(David Willis – 01274 432361)

**12. NOTICES OF MOTION**

To consider the attached motions of which notice has been given.

**12.1 PROPOSED CREMATORIUM FOR NORTHCLIFFE PARK, SHIPLEY**

To be moved by Councillor Kevin Warnes  
Seconded by Councillor Martin Love

Council notes that:

- a) Northcliffe Park is one of several sites being considered by the Labour Executive as the location for a replacement crematorium for the Council's existing facility in Nab Wood;
- b) a new crematorium would be a substantial structure, with car parking and a garden of remembrance; would require new access roads; and would therefore substantially degrade the amenity of a large part of the existing park;
- c) the 1921 Indenture makes it clear that the park can only be used "entirely as an open space for the recreation and benefit of the public and for no other purpose whatever";
- d) Shipley residents are overwhelmingly opposed to the option of building a crematorium in Northcliffe Park.

Council therefore requests that the Labour Executive formally remove Northcliffe Park from the list of possible sites for a new crematorium.

**12.2 GOVERNMENT PROPOSAL TO FAST-TRACK FRACKING APPLICATIONS**

To be moved by Councillor Martin Love  
Seconded by Councillor Kevin Warnes

Council notes:

1. The government is proposing, via a Written Ministerial Statement (WMS), to allow the exploration phase of hydraulic fracturing (fracking) to be allowed under Permitted Development (PD), therefore requiring no planning permission.
2. The government is also proposing to bring the production phase of fracking under Nationally Significant Infrastructure Projects (NSIP) and for this to be decided centrally by government and the planning inspectorate. This will take decisions away from local councils. If approved, this approach could be extended to include other types of oil and gas exploration, such as acid stimulation, through secondary legislation.

Council believes that local planning authorities should retain democratic control of all local mineral and fossil fuel development.

Council therefore requests the Chief Executive to (a) respond to the government consultation before the deadline of 25<sup>th</sup> October 2018, to (b) reject the changes proposed for PD and NSIP as inappropriate and (c) make it clear that our view is that local planning authorities should retain local control and primacy for all planning decisions at all stages for all types of oil and gas exploration.

### **12.3 BUILDING A STATUTORY YOUTH SERVICE**

To be moved by Councillor Richard Dunbar

Seconded by Councillor Sue Duffy

This Council notes:

- That the Conservative Government has failed young people by overseeing unprecedented and cruel cuts to youth services across the country. Overall spending on youth services in England has fallen by £737m (62%) since 2010.
- Youth work as a profession has been eroded and undermined through funding cuts and market reforms. This has resulted in a reduction in the number of JNC programmes, the number of providers employing JNC qualified workers and the number of students enrolling in undergraduate programmes. Between 2012 and 2016, 600 youth centres closed down and 3,500 youth workers lost their jobs.
- Cuts to youth services have devastated the lives of young people by damaging community cohesion, making it harder to stay in formal education, and having a negative impact on their health and wellbeing. 83% of youth workers say the cuts have had an effect on crime and anti-social behaviour.
- Youth work is a distinct educational process offering young people safe spaces to explore their identity, experience decision-making, increase their confidence, develop inter-personal skills and think through the consequences of their actions. This leads to better informed choices, changes in activity and improved outcomes for young people.

This Council believes:

- Youth services should be made statutory, recognising the important role universal youth work plays in supporting young people to realise their potential.
- Each local authority would set up a local youth services partnership with young people, parents, professionals and councillors, to ensure that the new national provision is tailored to the needs of each community.
- It should be the responsibility of the Secretary of State to promote and secure youth services in each local authority across the country.
- There should be a mandated national body with dedicated ring fenced funding to oversee youth service provision across England implemented through a local partnership board.

This Council:

- Instructs the Chief Executive to write to the Secretary of State urging a change to make youth services a statutory service given the issues faced by young people in Britain today.
- Notes the Labour Party is running a consultation into youth services. We resolve for the Leader to submit our views before the deadline on Monday 12 November 2018.
- Will ask Bradford District MPs to support and campaign for statutory youth services.

#### **12.4 PROTECTING THE PROTECTORS**

To be moved by Councillor Abdul Jabar

Seconded by Councillor Susan Hinchcliffe

This Council notes:

- Public servants in the police, fire and ambulance services put themselves in extraordinary situations to protect us every day.
- Antisocial behaviour and attacks against those professionals are unacceptable and put lives at risk both by threatening the safety of the worker and by diverting resources from emergencies. This is a problem throughout the year, including around Bonfire Night.

This Council:

- Endorses Holly Lynch MP's 'Protect the Protectors' campaign and will support publicity campaigns to promote safe and responsible behaviour and raise awareness of the tougher sentences arising from the Assaults on Emergency Workers (Offences) Bill.
- Supports our partners in police, fire and health and the trade unions in their work to combat antisocial behaviour and attacks, including through engagement activities in schools and other

youth and community settings.

Calls on residents to: be respectful to public servants keeping us safe; enjoy safe bonfires and fireworks by preparing properly, getting appropriate permissions and acting responsibly, ideally by attending well run public events; help educate young people about the risks of fire and the need to treat each other and the emergency services with respect.

## **12.5 BIG BRADFORD CLEAN-UP**

To be moved by Councillor Sarah Ferriby  
Seconded by Councillor Susan Hinchcliffe

This Council notes:

- The majority of people living in the Bradford District take pride in where they live. The most recent official data from the Office for National Statistics finds that Bradford people are happier than they were 12 months ago.
- However litter dents this pride. It is a blight on streets, parks and other public spaces and it costs councils across the UK hundreds of millions of pounds a year to clear up.
- We carry out street cleaning and enforcement activities against culprits in order to clean up our district and we provide practical support to volunteers and community groups who do great work cleaning up public spaces.
- Behaviour change among the minority of people who create litter is essential in order to deal with the root cause and reduce the huge environmental and financial cost.

This Council resolves to

- Have a Big Clean-Up Day involving councillors and community volunteers across the district.
- Launch pilot programmes across the district trialling innovative methods alongside established activities and engage with the business community, such as fast food outlets, to jointly tackle littering.
- Seek community champions to work with officers in strengthening community and business engagement in their local areas.
- Work with partners on awareness-raising campaigns to educate about the massive cost of litter and to encourage behaviour change.
- Continue with strong enforcement measures and continue to

explore new options together with partners.

- Call on the Government to make significant funds available for us to carry out additional work to build community resilience and strengthen community cohesion in tackling the blight of litter.

## **12.6 PERIOD POVERTY**

To be moved by Councillor Sarah Ferriby

Seconded by Councillor Abdul Jabar

This Council notes:

- Because of Government cuts more than one in four children in the UK are living in poverty (27.1% in 2015-16) and this will rise to almost one in three (31.3%) by 2021-22, according to the Institute for Fiscal Studies.
- Food bank use has risen rapidly in recent years with the Trussell Trust reporting it gave out a record 1.3m food parcels to an estimated 666,000 people in 2017-18, up 13% on the previous year.
- People who are unable to afford food might also be unable to afford other essentials such as sanitary products. Young girls may be particularly vulnerable to the impact as it could lead to them missing school or having to choose between buying food or sanitary protection.
- After being tasked by the Leader to explore how we can address this issue, officers launched a pilot scheme at Britannia House in May this year to take donations of products to be provided through the Storehouse, a local charity that supplies over 30 food banks.

This Council will:

- Carry out more detailed research to identify the causes and extent of the issue, what good practice is already taking place and what more can be done to address the problem most effectively across the district.
- Work with partners such as the Clinical Commissioning Group, schools, the Red Box project and the Storehouse to establish the best ways to tackle the problem.
- Ask officers to report back to the Leader before the end of December with their findings and options for scaling up our activity with partners.
- Call on Government to remove VAT from all sanitary products.

## **12.7 100TH ANNIVERSARY OF THE 1918 ARMISTICE**

To be moved by Councillor Simon Cooke

Seconded by Councillor Mike Ellis

Council notes:

1. 2018 marks the centenary for the armistice at the end of the 1914-18 Great War
2. That the city remembers the sacrifice of local people at that time each year

Council believes that the cause of peace is served by remembering the sacrifices of armed servicemen and women as well as in noting the horrors of war

Council affirms its commitment to supporting the Military Covenant and to providing support to current and former members of Britain's armed services.

## **12.8 HOUSEHOLD FORMATIONS AND HOUSING NUMBERS**

To be moved by Councillor Martin Smith

Seconded by Councillor Mike Ellis

Council notes the Office of National Statistics recent publication of updated Household Projections in England and that these projections reduce per annum new households from 210,000 to 159,000.

Council also notes that these revised figures show a significantly lower projection for household formation in Bradford and that a higher proportion of new household formation will be by older people.

Council believes, in the light of these new statistics, that the current objective assessment of housing need for Bradford is not fit for purpose and instructs the Strategic Director, Place to conduct an urgent review to set a new baseline for housing need drawn from accurate data on household formation.

## **12.9 20MPH SPEED LIMIT ZONES**

To be moved by Councillor Debbie Davies

Seconded by Councillor Rebecca Poulsen

Council notes:

- Last year, Manchester City Council scrapped plans to expand their 20mph speed limit zones, after finding that it reduced speeds by an average of just 0.7mph, with speeds actually increasing on some streets due to overtaking etc
- Such schemes reduce the speeds of drivers who are responsible, but have no effect on those who are not, including

those in stolen cars, under the influence, or in cars bearing false number plates etc.

- This week the T&A asked ‘Would you welcome the introduction of 20mph zones?’ to which the answer was yes 42%, no 58% - clearly not a scientific study but it gives an indication of what people think.

Council resolves to:

Scrap plans for the introduction of a City Centre 20mph zone and instead distributes the £120,000 estimated cost of introducing one, between the Council Wards, so that such speed limits can be introduced near schools or other appropriate sites.

#### **12.10 A GOOD CHILDHOOD**

To be moved by Councillor David Ward

Seconded by Councillor Julie Humphreys

The Children’s Society’s “The Good Childhood Report 2018 based upon a national survey of 2,000 children reveals that girls are unhappier with their lives, more likely to have depression and twice as likely to self-harm as boys. The survey also reveals traditional gender stereotypes remain strong and impact on children’s well-being and that those children attracted to the same or both genders have lower wellbeing, higher rates of depression than other children –with almost half engaged in self harming. The Report 2018 concludes that after 15 years of increased levels of children’s happiness with their lives, children’s well-being is now as low as it was two decades ago.

The response to the Future in Mind report and the production of ‘The Five Year Forward View for Mental Health’ published in 2016 provides a model for how Bradford could respond to The Good Childhood Report and therefore:

1. This Council reaffirms the strategic ultimate responsibility it has for the education of all children in the Bradford District whose education is publicly funded.
2. This Council fully accepts the importance of a child’s sense of well-being on their ability to fully benefit from the formal education that they receive.
3. This Council undertakes to create a Children’s Wellbeing Task Group including key strategic partners to identify the key factors affecting the wellbeing of young people in the Bradford District with a view to the development of a transformation plan to increase their general sense of wellbeing and of life satisfaction.

## **12.11 YORKSHIRE DEVOLUTION**

To be moved by Councillor Brendan Stubbs  
Seconded by Councillor Geoff Reid

### Council Notes

1. That many English regions across the country are benefiting from devolution deals.
2. Despite the benefits of devolution, the current model of city regions, LEPS and combined authorities are lacking in democratic accountability.
3. That the concentration of political power in the hands of a single directly elected Mayor is not as democratic as a proportionally elected body.
4. The population and GDP of Yorkshire is roughly equivalent to that of Scotland.

Furthermore, Council believes that:

5. Yorkshire forms a single recognisable region, with a common culture, dialect, and identity which is one of the strongest in the UK.
6. Power should be devolved as far as possible with decisions that affect residents being made by Local Government.

Therefore, Council calls for:

7. A regional devolution deal for Yorkshire consisting of a single directly elected parliament
8. Election to the Yorkshire Parliament to be by single transferable vote method in multi-member constituencies.
9. Powers devolved to Yorkshire to be equivalent to those devolved to the Scottish Parliament.
10. The powers and funding of regional and sub-regional quangos to be subsumed into the Yorkshire Parliament.
11. Abolition of the offices of Police and Crime Commissioners for the Yorkshire Police forces, with policing powers returned to democratically accountable local Police and Crime panels.
12. The leader of the Council to write to The Right Honourable James Brokenshire MP Secretary of State for Housing, Communities and Local Government and Jake Berry MP Parliamentary Under-Secretary of State for the Northern Powerhouse and Local Growth expressing this Council's view on Yorkshire wide devolution.

## **13. FOOD SAFETY IN THE BRADFORD DISTRICT**

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The Council is required by the Food Standards Agency to have a

documented and approved Food Safety Service Plan in place. The report of the Director of Health and Wellbeing (**Document “J”**) seeks approval for the 2018/19 Plan.

**Recommended –**

**That the Food Safety Service Plan be approved.**

(Angela Brindle – 01274 433985)

**14. DESIGNATION OF THE COUNCIL'S SECTION 151 OFFICER**

115 -  
120

The report of the Chief Executive (**Document “K”**) recommends that Council designates the post of Director of Finance (post currently called Assistant Director Finance and Procurement) as the Council’s Section 151 Officer/Chief Financial Officer.

**Recommended -**

- (1) That Council designates the post of Director of Finance as the Council’s Section 151 Officer/Chief Financial Officer such designation to take effect immediately.**
- (2) That the proposed amendments to the Constitution as set out in paragraph 4.1 of Document “K” be adopted.**
- (3) That the City Solicitor be granted delegated authority to make consequential amendments to the Constitution as a result of any recommendations approved by full Council.**
- (4) That the City Solicitor ensures that any agreed amendments are implemented.**

(Mandy Hill – 01274 432214)

## H

### REPORT OF THE LEADER OF COUNCIL – 16 OCTOBER 2018

#### **GCSE and A Level Results**

Well done to all those who worked so hard in their GCSEs and A-levels this year. Final results for the district will be confirmed in January after all re-marks have been taken into account. However provisionally we can say that at GCSE level our Progress 8 measure continues to be better than the national average. At Attainment 8 we have seen a small improvement from 42.4 to 42.6 but this still remains below the national average of 44.3. At Key Stage 5 we have moved from a C- to a C this year but this is still below the national average of C+. Whilst this is steady progress we all want to see an acceleration in education improvement and we will continue to push for this.

#### **Convention of the North**

In September I led a delegation of business and community leaders from Bradford to Newcastle and Gateshead to take part in the first Convention of the North. This is a cross party initiative with representatives from all over the North. Bradford shared a platform with Manchester and Newcastle. There was an agreement that the North needs to come together across party lines to make the case for investment in the North. There has been a North/South divide for too long, and as the country takes some big decisions about its future, there needs to be a recalibration of how all regions in the UK deliver for the many.

#### **Yorkshire Devolution**

On 1<sup>st</sup> August, Yorkshire Day, Yorkshire Leaders as well as MPs, businesses and unions met to launch the campaign for One Yorkshire. This took place at the palace of the Archbishop of York. The campaign is being led in the Commons by John Grogan MP plus Robert Goodwill MP. The Economic Case for Yorkshire Devolution has now been submitted by the 18 Yorkshire Local Authority leaders plus the Sheffield City Region Mayor.

#### **Revo Conference, Manchester**

I spoke at this town centre regeneration conference in Manchester a few weeks ago. This generated good interest in the Bradford district story. Two developers have visited us as a result already, a third is due to visit in the next few weeks. There is a growing appetite for investment in Bradford as evidenced by the level of interest from potential development partners for One City Park.

## **Hate Crime Awareness Week**

I would encourage all members to take note of Hate Crime Awareness week which runs 15<sup>th</sup> – 19<sup>th</sup> October. There are events and information sessions running all over the district. From Keighley College to Bradford University and transport hubs like Bradford Interchange. We have suffered some high profile hate crime incidents this year including Islamophobic hate letters which were delivered to some members in this Chamber. We are all pleased to see that a conviction has been made regarding these incidents. However we must continue to take a strong stand against hate crime wherever we experience it and encourage victims to come forward and be supported.

## **Children's Ofsted**

Most members will now be aware that there has been a full inspection of Children's Social Care in Bradford. This took place from 10<sup>th</sup> to 27<sup>th</sup> of September although the Inspectors were only on site from 17<sup>th</sup> to the 27<sup>th</sup>. I would like to thank all staff who took part in this inspection. Many of them worked evenings and weekends to prepare. The Inspector's report and judgement will not be available until 29<sup>th</sup> October after which I have asked officers to arrange briefings for all Groups.

## **LEP Review**

The Government has determined that no LEP (Local Enterprise Partnership) should have overlapping boundaries with another LEP area. This means that the Leeds City Region current arrangement where some authorities in North Yorkshire are part of the Leeds City Region LEP can no longer continue. Leeds City Region LEP, led by the Chair Roger Marsh, has therefore proposed to merge with the North Yorkshire and York LEP. This latter LEP are keen to maintain their current arrangements with East Yorkshire, however East Yorkshire have determined to merge with the Humber LEP. It is very much up to Government whether they approve the mergers or not. In the meantime, Leeds City Region LEP has to provide details of how such a merger might work by the end of October. Government have said they will make their decision on the way forward in November.

## **"Breaking Point"**

Labour Leaders from all over the country have united in the Breaking Point campaign. Led by the Labour Group Leader of the Local Government Association, Cllr Nick Forbes of Newcastle, thousands of Labour councillors have now signed the petition calling for a real end to austerity in local government. Funding for local councils has been cut by over £16 billion since 2010 – equivalent to 60p in every pound. Austerity has caused huge damage to communities up and down the UK, with devastating effects on key public services that protect the most defenceless in society: children at risk, disabled adults, and vulnerable older people.

I am going with a delegation led by Cllr Nick Forbes to hand in the petition to 10 Downing Street on Thursday morning.

### **Meeting with Chris Grayling**

Over the summer I've had two further positive meetings with the Secretary of State for Transport. We raised a number of issues with him including Northern Powerhouse Rail, Shipley road congestion, Skipton Colne railway, Transpennine Upgrade and Queensbury tunnel. Whilst he was here Chris Grayling made an immediate announcement of £300,000 for a feasibility study regarding Shipley congestion which we welcome. I believe he also met with the opposition.

### **Bradford Business Improvement District (BID)**

Following on from the success of the Keighley BID, I want to warmly welcome the new Bradford BID after a vote in favour by Bradford businesses. I congratulate all the businesses involved and particularly Ian Ward of The Broadway who has shown great leadership on this since the beginning. Bradford BID can now help the city go from strength to strength.

### **QUESTIONS TO THE LEADER**

#### **Councillor Jeanette Sunderland**

It is in connection with the business improvement districts and join you really in congratulating the successful bid for Bradford and previously the one for Keighley and hopefully the one from Ilkley but just wonder what the enthusiasm is for much smaller bids in other communities across the district?

#### **Councillor Susan Hinchcliffe**

Yes I think Bingley and Shipley have also talked about it with us over the years. The challenge is when it is a small place you do not obviously raise as much business rate levy and having a business improvement district you at least need a worker and therefore it can get all sucked into the work if it is too small so the smallest I know is the Otley and Skipton ones which raise about £60,000 a year is it or something. That is probably about as small as you can go. We have talked about it with Shipley and Bingley and happy to continue these conversations but Ilkley in the district will be smaller obviously than Keighley and Bradford so I think we are going to see how that goes and then Bingley and Shipley might be learning from their example but it is about making sure you raise enough to make it worth the while of employing somebody and giving them a budget to do other things with rather than just one person being there. You need to be able to fund events, marketing, whatever other safe and secure things you want to do round the city or round the town. If you cannot do those I suppose then what is the point of having just a manager I suppose

is the question. It is a judgement for each place but we are happy to support any town that wants to consider it.

**Councillor David Ward**

In the light of what seems to be ever positive reports that we on the Children's Services Overview and Scrutiny Committee we always receive on a regular basis about social workers workloads is she confident that the services we deliver to protect the most vulnerable are meeting the high standards we set ourselves?

**Councillor Susan Hinchcliffe**

Thanks Councillor Ward for that leading question. You know jolly well that I cannot talk about the Ofsted report at all so I am not going to answer your question because actually you are just trying to get me into the Ofsted judgement and we are not able to discuss it at all in this Chamber. So we have been given strict instructions not to – I have to abide by that. Apologies.



**COUNCIL  
16 OCTOBER 2018**

**MEMBER QUESTION TIME  
Questions submitted in accordance with Standing Order 12**

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**1. Councillor Abid Hussain**

Can the Portfolio Holder give an update on the Council's plans to increase footfall on Darley Street and other streets around the middle and top of town areas in the city centre?

**Answer**

The city centre has seen a huge boost in footfall with the numbers counted in just three core retail streets rising from 16 million to over 20 million a year since the Broadway Shopping Centre opened. Broadway Shopping Centre has opened new modern retail space bringing in retailers who have been absent for many years. Our work on regenerating our town and city centres is never done. We are therefore now working towards additional new developments to boost the success of the city.

The Council's plans for the new markets offer focussed on Darley Street will see significant investment in this area. Once these developments commence, it is expected that investor confidence will be reflected in the take-up of vacant units. Locating a new food focused market on Darley Street will see a huge upsurge in footfall in the area and surrounding streets.

In the meantime the Council continues to offer assistance through the City Centre Growth scheme's Priority Streets Initiative. This is a targeted scheme to incentivise businesses to bring back in to use vacant ground floor units in key retail streets with high volumes of vacant properties. The package of support available includes capital grants towards property improvements and equipment purchases along with business rate rebates. The scheme will continue to support new investment, particularly independents, as we start to build our offer around our Markets development.

City Centre Growth Scheme funding has recently supported the development of co-working and collaborative spaces, encouraging new and creative businesses to breathe life back into historic buildings, bringing new energy and ideas and additional footfall into the city centre.

The scheme has also particularly been encouraging food and beverage, leisure and office uses to support our retail offer and to re-purpose former retail units. Current applications pipeline include bars, cafes; a trampoline park, a cosmetic clinic and an indoor activity centre.

Heritage Lottery funding has recently been secured to deliver a Townscape Heritage Scheme within the City Centre Conservation area and centred around Rawson

Place, North Parade, Northgate and Darley Street. The four year scheme will offer property owners grant contributions of up to 60% to repair and reinstate traditional features such as shop fronts and windows, and bring vacant floor space back into use.

The new TJ Hughes store will open in Spring 2019. This will provide a second anchor store for the Kirkgate Shopping Centre with over 32,000 square feet of trading space and an entrance via Godwin Street.

In addition there are a number of short term projects to drive footfall into these areas, such as events and meanwhile uses in units on Darley Street and surrounding areas. The recent Bradford Bubble Up event included a giant waterslide down Darley Street which boosted footfall in that area.

A number of empty retail properties are being managed by East Street Arts, who are an arts organisation working across the UK and Europe and whose mission is to support artists to create work that brings lasting change to our everyday lives. For example, studio spaces created in the former Marks and Spencer's building are fully occupied by artists and performing arts groups use sprung dance floor installed in the basement area for rehearsals. In addition, the former Post Office is being divided into eight studios for use by local artists.

Consideration is currently being given to a specific creative sector initiative to further stimulate the variety of creative and leisure uses and widen the city centre offer beyond mainstream retail, thereby increasing footfall and unlocking future potential, particularly including those developments of a more sustainable nature. This could include identifying opportunities for retailers, particularly in craft products, to work together through makers' markets or test trading to create a stronger offering and for other makers to create supportive hubs.

## **2. Councillor Debbie Davies**

Can the Portfolio Holder for Education, Employment and Skills inform colleagues of any actions which are being taken to meet the Children, Young People and Families Plan 2017-20 objective, of reducing unauthorised primary and secondary school absences within the district, to beneath the national average?

### **Answer**

Reducing unauthorised absence is one of two key imperatives in Bradford's Children and Young People's Plan. As this is a shared objective, work has begun with partners and stakeholders to develop messages for parents about the importance of attendance. In addition, we are working with Young People to develop the best way to engage and communicate with them to promote good school attendance.

Schools are engaging well with the Local Authority and use interventions such as the issuing of Fixed Penalty Notices and School Attendance Orders where absence is not improving and remains a concern. However, schools are also investing in preventative strategies, for example;

- In conjunction with the Safeguarding Hub, training is available to schools and a strong traded offer is in place from the Attendance Team with a focus on preventative measures that promote good attendance.
- A Vulnerable Pupil Data Dashboard informs resourcing and interventions are put in place where concerns are raised around levels of absence. Schools can now escalate their most challenging cases to find rapid solutions through multi-agency management for cases where children are deemed to be at risk as a result of not having a stable education placement.
- An offer is available to all schools that provides guidance to strengthen attendance policies to tackle areas of concern tailored to individual schools, including sharing of good practice on attendance where identified by Ofsted.

### **Supplementary Question**

Thank you for the answer. I just wondered is the level of persistent pupil absence still five percentage points higher than the national average?

### **Councillor Imran Khan**

I am not sure but I will check and come back to you.

### **3. Councillor Jeanette Sunderland**

What action is being taken to address the on-going potential safeguarding concerns arising from the limited capacity to conduct direct payment audits for social care clients?

### **Answer**

Our safeguarding response will pick up a range of issues and where there are wider considerations/lessons for how we undertake our business processes we would make risk assessments and make proportionate changes if required. From a Direct Payment audit perspective we expect to audit Direct Payment accounts 6 months after commencement and then annually. As the number of people taking a Direct Payment increases there will be consideration of the capacity required to undertake the audits in line with expectations. The annual Social Worker review is another opportunity to pick up if there are any issues of concern/ safeguarding concerns regarding a person in receipt of a Direct Payment.

### **Supplementary Question**

I am a bit concerned about the answer that I have been given which appears to talk about what should happen rather than what is actually happening because having raised this issue, having seen it in the audit report, the key concerns were, and you just do not seem to have addressed them at all in the response, is that an effective process was not in place to deal with all clients or their nominated persons. Direct payment audits are not up to date and the actions issued in the audits are not always effective. The bottom line is that there has been a high level of staff turnover and there is just not enough staff to ensure that we are actually safeguarding these vulnerable adults.

**Councillor Sarah Feriby**

Thank you Councillor Sunderland. I would just be interested to know when that information was given, the timeframe, but I will follow that up with the Director of Service but this is the information that I have been given. I know that there have been staff shortages but there has also been staff that has been put in place to do a lot of work in the adult and health social care.

**Councillor Jeanette Sunderland**

Just for your interest then Councillor the email was sent to me on 25 September 2018 at 15.27.

**Councillor Sarah Feriby**

Thank you Councillor Sunderland. I will follow that up with the Director of Service.

**4. Councillor Kevin Warnes**

Now that the Council has demolished the Branch Hotel, one of Shipley's oldest local landmarks, in order to widen the nearby road, what steps have been taken to date to involve local residents and community groups in exploring the full range of possible design options for the new junction and thereby maximising its capacity for cutting air pollution and boosting low carbon travel, cycling and local walking networks?

**Answer**

The Branch pub had been empty for many years and had significant structural issues. It has now been demolished with funds secured from West Yorkshire Combined Authority. The project team involved in the delivery of the West Yorkshire+ Transport Fund's Bradford to Shipley Corridor improvement project are currently developing a communication and engagement strategy for the proposals. The first stage of this is a presentation for members which will be held soon to ensure that we can engage as many local members as possible prior to the wider public engagement exercise. More information on this session will be circulated shortly.

The consultation with the local residents and members of the travelling public will follow over the next couple of months to ensure that as far as possible the aspirations of the community are incorporated within the proposals which are developed for improvements along this strategic corridor.

**Supplementary Question**

Thank you Councillor Ross-Shaw for your response. It is good that residents and Councillors are going to be involved in this process. I am not completely reassured though. What is bothering me is that there seems to be the classic top down approach, the officers draw up plans, they consult, they go back behind the closed doors, they finalise the plans and what I am driving at is do you not think it would be better for a junction of this importance if residents and local community groups were more proactively involved in fine tuning the junction designs well up stream, well before the plans have become written in stone almost? Thank you.

### **Councillor Alex Ross-Shaw**

Thank you Councillor Warnes and a good use of the word “up stream”. I liked that one. It has been difficult to criticise the process that has not started yet in a sense but I do take your point. The first stage of the consultation won't be these plans, do you like them or can we tweak them. It will be more high level at that point. So there is plenty of opportunity to get involved I think if or any firm road schematics are drawn up.

### **5. Councillor Angela Tait**

Would the Leader join me in congratulating the Bradford Chamber of Commerce and all supporting organisations in the success of the pilot Bradford Manufacturing Week which brought together manufacturers, schools, young people and parents through tours, work experience, seminars, exhibitions and learning events held at manufacturer premises and key locations across the district?

#### **Answer**

Bradford Manufacturing Week (8-12 October) a great success, seeing more than 1,000 young people signing up for more than 3,000 manufacturing experiences across the week including tours, work placements, work experiences, school talks and life skills workshops.

The West and North Yorkshire Chamber of Commerce led event was delivered with support from the Economic Partnership, Barclays Bank and a range of sponsors and local businesses and schools. The initiative received acknowledgement and accolade for the initiative in the House of Commons prompted by a question by Judith Cummins MP. This Government recognition for the difference the initiative is making to future generations and championing manufacturing as a career choice is most welcome.

I would particularly like to thank Nick Garthwaite, Chamber President, for his personal drive in making it such a success.

A debriefing has been scheduled to discuss successes and lessons learned which will act as preparation for Bradford Manufacturing Week 2019.

### **6. Councillor Richard Dunbar**

Does the Leader agree that the Prime Minister as the creator of the hostile environment policy needs to take more proactive action to support members of the Windrush Generations rather than continue to blame them for their fate?

#### **Answer**

We discussed this issue in this Chamber in July when criticism of the Government's actions towards the Windrush Generation was heard from across the council chamber. Sadly this scandal has continued since then given, as you say, the lack of proactive action from Government to support those affected by this awful situation. These are people who have lived in and contributed hugely to this country for many, many years. What they deserve is respect and recognition of their rights which we all called for in this chamber in July.

### **Supplementary Question**

The reason why I raised this question is after me and Councillor Mullaney raised this at the last Council, it has come to our attention that members of the Windrush generation in Bradford have been contacted on Government orders by civil servants to have individual meetings with members of the Windrush generation and also then to sign non-disclosure agreements leaving those members of the Windrush generation to worry that they will still be deported. What is going on and what can we do to put more pressure on the Government who are acting lyrically in the media about this but are doing nothing to protect members of the Windrush generation?

### **Councillor Susan Hinchcliffe**

Thank you Councillor Dunbar. There is a danger in an environment where there is such much news of Brexit and everything else that such an issue which was very front of mind of the media a few months ago dissipates so it is a very good idea to bring it back and to make sure we are all aware that problems are still ongoing and that there are still citizens of this country who have been harassed in this way. I know Councillor Pennington joined with us last time in saying how atrocious this was and I am sure we can speak to our MPs to make sure that pressure is continued on the Government to make sure that the situation is resolved as quickly as possible for their benefit.

### **7. Councillor John Pennington**

In light of the fact that the Bradford Brewery has closed after just 3 years trading, despite being awarded grants of £170,000, can the Leader of the Council advise colleagues of measures in place to ensure that grants awarded more recently, are likely to provide other than short term benefit?

### **Answer**

Unfortunately it is not possible to ensure that all businesses supported through the City Centre Growth Scheme continue to trade indefinitely. Like all businesses they are impacted by external influences that cannot be mitigated for.

Nationally, the percentage of start-up businesses that are still trading after 3 years is 53.7% (Source - ONS). This compares with 74% of start-ups supported by the City Centre Growth Scheme that have continued to trade. This is despite the high proportion of the businesses supported being in the highest risk categories. Nationally 80% of retail stores fail within five years followed by 60% of independent restaurants.

To increase the chances of survival, the scheme provides a package of support for new and existing businesses through Invest in Bradford business advisors in addition to assistance with recruitment and staff training provided by SkillsHouse.

In instances where it is not possible for a business to be saved we will work to protect jobs, to keep properties occupied and to protect the public investment.

Where capital grants are awarded, financial risks are assessed and recipients may be required to provide personal guarantees to enable grant recovery should the

business be dissolved. The capital grant programme has been a good way of bringing previously redundant buildings back into use in the city centre, such as this. Regardless of the first operator, if the building is of a good standard it can more easily attract a new owner/tenant thereafter.

The property on Westgate formerly occupied by Bradford Brewery has now been taken by Eyes Brewery Ltd from Leeds who will be operating a brewery and bar, with plans to open in December. We are pleased to welcome them to the city.

### **Supplementary Question**

Just as a safeguard really can we have greater scrutiny from somebody with maybe a business background, but certainly local knowledge, to evaluate before awards are made?

### **Councillor Susan Hinchcliffe**

So there is due diligence on everything we give out and actually if you see what people have to go through and people come to us and say we want a grant and actually sometimes they cannot have it because we make them jump through a lot of hoops to get it. So there are already quite a lot of barriers there in place and even when people employ new people, and that is part of their business rate relief employing new people, we ask to see their wage slips every month. There are a lot of balances and checks that go with this and I am sure officers will be happy to share that process with you. It is quite complex but I think it is absolutely right that you should have oversight of it as well as we do.

### **8. Councillor Taj Salam**

Can the Portfolio Holder tell me how much fly-tipping we have picked up in the last year and what is the cost?

#### **Answer**

Street Cleansing and Environmental Enforcement attended 14,317 fly tips in total in 2017/18. This figure includes all the public reported ones as well as those identified by Council staff independently.

The exact cost is hard to determine because crews collect fly tipping as part of their wider work when out and about. The estimated cost of collection is therefore between £120,000 and £200,000 and a further £400,000 (est.) is spent on Enforcement investigative work.

It is unfair on those people who do dispose of their rubbish correctly that a minority of people do not. As a Labour-led Council we have made a point of being tough on enforcement and regularly prosecute those who are found out for fly-tipping through the courts.

### **9. Councillor Richard Dunbar**

Would the Leader agree that the continued delay of the Fixed Odds Betting Terminals (FOBTs) stake reduction will do nothing but cause more harm to those suffering the harsh realities of problem gambling?

**Answer**

After the initial elation that the Government had agreed to reduce the stake for FOBTs, I am outraged that the reduction is being delayed by two years. There is no reason for such a long delay. The stake reduction for fixed odds betting terminals will make a real difference in tackling problem gambling. I support a swift implementation of the changes. The proposed two year delay to implement the changes puts those vulnerable to gambling addiction and problem gamblers at continued risk. Any lobbying of Government by the industry should not detract from the very real problems caused by these high stake machines.

**10. Councillor Andrew Senior**

Can the Portfolio Holder for Healthy People and Places give reason to the decisions for Sedbergh Sports and Leisure Centre to be constructed with no “all weather” pitches, whilst another site with all weather provision shuts early in the evening, before many people wish to / are able to play?

**Answer**

The Council has an adopted Playing Pitch Strategy (PPS) which includes the planning of Sports Facilities across the district. The current PPS adopted by Bradford Council in November 2014 highlighted a shortage of quality grass pitches in Bradford South area but was not showing a shortage of All Weather Pitches (AWP). As such, the development at Sedbergh is being built with high quality grass pitches and facilities. However, the Council, in partnership with the sport’s governing bodies, is developing plans for an AWP at the former Wyke Manor school. The pitch will be available for community use and for both football and rugby. The pitches at Sedbergh have been developed in such a way that allow the Council at a later date to further consider the requirement for and viability of a floodlit synthetic pitch. A revised PPS is due in early 2019 which will provide an up dated supply and demand assessment and this will also inform future planning for both grass and AWP.

**Supplementary Question**

Thanks for your answer. We will welcome the revised PPS report in early 2019. The last thing we need to do is produce state of the art playing fields that will be either ruined or unused between late November and March due to inclement weather.

**Councillor Sarah Feriby**

Sorry Councillor Senior was that a comment rather than a question? Thank you.

**11. Councillor Richard Dunbar**

Is the Leader in agreement that based on the Government’s record over the past 8 years that the so called fairer funding formula will in fact be unfair to local government and residents in Bradford?

**Answer**

I am extremely concerned that the review of how business rates are distributed across the country through the “Fair Funding Review”, combined with the Government’s complete cut of the revenue support grant, could lead to the

Conservative Government politically favouring the “Tory Shires” over the Urban Metropolitan Districts. As we’ve said before, by 2020 our net budget in Bradford will be around half what it was in 2010. All at a time when we face growing demand for services.

I would urge Government not to be driven by party politics when it comes to funding local public services. A disadvantaged child in an urban area has just as much right to good public services as a child living in a more affluent area. I have asked to meet with Ministers in the Ministry of Housing and Local Government for this very reason.

**12. Councillor Geoff Reid**

Labour Councils in Manchester, Greenwich, Bristol and Lambeth have improved planning transparency by making their viability assessments for affordable housing public. Will Bradford Council follow this example to publish the viability assessments for affordable housing on new developments?

**Answer**

The National Planning Guidance was recently updated and states that the Government's recommended approach is for viability assessments to be publicly available unless there are exceptional circumstances. Where exceptional circumstances exist it is expected that the applicant will prepare an Executive Summary to be made publicly available instead. As the guidance is still new we have not yet had an application that required a viability assessment but would expect any future applications that required them to be made publicly available on our Planning Portal.

**Supplementary Question**

I thank the portfolio holder for his judicious answer. It is early days yet but does he welcome the new rules on transparency which came into force in July as levelling the playing field between the mega developers who have been able to use their resources and muscle to exploit the viability loophole and the small and medium developers who may get more of a look in perhaps boosting more affordable housing?

**Councillor Alex Ross-Shaw**

Thank you Councillor. Certainly improved transparency is good in the process. Obviously the planning process in housing is very contentious so people want to be reassured that communities are getting a good deal out of any developments that take place so obviously some people do not want to see housing but if it takes place they need to be reassured that they are getting the right sort of development with the right contribution so in that case increased transparency is good. It does mention that there is a presumption to viability so not every application will actually provide a viability assessment but absolutely putting the onus on the developer to make sure that they are right in their documents with the expectation that that will be publicly available for scrutiny can only be a good thing I think.

**13. Councillor Abid Hussain**

Can the Portfolio Holder give an update on the proposed Ilkley Business

Improvement District.

**Answer**

Businesses in Ilkley approached the Council regarding the potential for a Business Improvement District (BID) in Ilkley. Establishment of a BID in Keighley, the campaign for a BID in Bradford and the existence of BIDs in both Skipton, Otley Leeds and Halifax and the spread of Business Improvement Districts nationally have demonstrated potential benefits to the town.

There is a strong core of businesses leading the development work. A development Board has been formed to direct the progress of the campaign and is meeting regularly. An unused office in Ilkley Town Hall has been made available to the development team by the Council during the campaign.

The Council has committed to provide grant funding and officer support to see the Ilkley BID proposal through to a ballot. This is being matched by funding from Ilkley businesses and a loan from Ilkley Parish Council.

A competitive process saw the appointment of Heartflood to act as consultant advisor to the Development Board. Heartflood have a strong track record and have recently worked on the Bradford BID proposal.

If progress continues as planned, a ballot of eligible businesses will take place in Spring 2019.

**14. Councillor Robert Hargreaves**

Would the Portfolio Holder for Regeneration, Planning and Transport support an urgent review of the Council's policy regarding roller shutters on shops, as the current affects of crime and other anti social behaviour are such that our nation of shopkeepers is at serious risk of being closed for business?

**Answer**

The Council has an adopted shop front security policy that has been in place since 2012 and is broadly in line with the approach of towns and cities across the country. This promotes the use of a number of appropriate security measures that can be applied to shop premises. Whilst its starting point is to support the use of internal roller shutters (which don't need planning consent unless it is a listed building), it does not rule out the use of external measures, which are dependent on the circumstances relating to the individual property.

It is important that businesses are aware of the policy and we have looked at raising awareness of this in a number of ways in the past couple of years:

Change of use applications now include information on shutters and shop front design policy

Business rates information will include an infographic with information on the policy and a number of other relevant policies for businesses such as A-board policy and business support and funding information

Developers and agents will be reminded of the policy at forums and events

Since the adoption of the existing policy the Council has approved applications for external shutters that are designed to allow light from the building on to the street and provide a view of the shop front. External solid shutters create a deadening effect on the street scene, which can increase fear of crime and also protect any burglars who break in from the rear from view.

It is worth noting that the vast majority of enforcement cases come from complaints from the members of the public or nearby businesses who are themselves complying with the policy. The Council does consider each case in consultation with the Police's Architectural Liaison Officer, who offers advice on protection measures and supports the policy approach outlined in the Shop Front Design Guide.

If you would like to share the details of the case with me, I will happily look at the case.

### **Supplementary Question**

Thank you for your response. I note the alignment with policies across the country but I would like to point out that the majority of high streets across the country are indeed failing along with this policy. This is after all a policy that was relevant in 2012 and is irrelevant today. I therefore ask the portfolio holder will you dare to dream and use Bradford as an example to follow nationally by revealing the policy and protect the businesses of the best city to start a business?

### **Councillor Alex Ross-Shaw**

You know what I was thinking if you asked a supplementary, I thought I had better just remind him we are the best place to start a business so you have gazumped me there but I do not think the policy is any less relevant to be honest. Obviously the high street does change fast and you are right I do not think the reasons for that are about shop front design per se, I think it is obviously about the change in nature of retail particularly with internet shopping but if there are any elements that are not working for a particular area, always happy to sit down with Members and go through those areas. I think the case that has come up in your ward is in a conservation area and that is very difficult to deal with because there are legal duties to make sure that conservation areas are kept to a certain standard but as the answer shows there are quite a few things we have done to try and mitigate impacts on shopkeepers so they can trade successfully but happy to meet you to discuss the specifics in that case if you like.

### **15. Councillor Angela Tait**

Would the Leader join me in congratulating the National Science and Media Museum for producing The Bradford Science Festival which took place at the museum, in City Park and at The Broadway.

### **Answer**

Absolutely. The 2018 Bradford Science Festival in July was a huge success. Curated by the National Science and Media Museum and delivered with the support of 60 local, regional and national partners and contractors the Festival attracted 34,347 people, 40% of whom visited the Festival from outside of the Bradford District. The Festival was aligned with the Government's Year of Engineering.

The Festival was delivered across three venues; in the National Science and Media Museum, in City Park/Centenary Square and in The Broadway – taking Science, Technology, Engineering and Mathematics (STEM) learning out in to the city.

The full evaluation will be completed shortly but the team are already delighted to know that there was a good gender balance of people attending (52% Male, 48% Female) and the ethnic diversity of attendees broadly reflects the ethnic diversity across the city.

#### **16. Councillor Richard Dunbar**

A recently published report argues that the Universal Credit system is perpetuating inequality and facilitating abusive men's control and coercion of their partners. What steps are being taken in Bradford to help mitigate the effects of this cruel and draconian policy?

#### **Answer**

From all I hear from residents and landlords alike I am becoming increasingly concerned about the roll-out of Universal Credit. The Council is working together with partners, including the Department for Work and Pensions (DWP), to support residents as they move on to Universal Credit (UC).

This will include an assessment of whether a split payment is appropriate. The DWP have said they will do this if there is a suggestion of this behaviour occurring. DWP have produced guidance for their staff in relation to split payments. And under UC, there is a requirement for both partners to engage with the DWP, so there is a need for DWP staff to be vigilant to spot this kind of danger.

UC payments can be divided between partners in a couple in exceptional circumstances, including where there is, or is the risk of domestic violence, financial abuse, or where a claimant is mismanaging UC payments and not using them to meet the day-to-day needs of the family. Although it refers to 'split payments' (stating that the larger percentage could be allocated to the person with primary caring responsibilities for children), the law allows payment to be made solely to one partner, where this is in the interests of the claimants and their children. My concern is that in a crisis situation a vulnerable partner may not know about this facility and may not be strong enough to insist upon it.

Also, "alternative payment arrangements" can be applied to the housing costs element of UC which means that it can be paid directly to a landlord which may help mitigate any risk of losing a home. Again the vulnerable person would need to have the capacity to seek an arrangement along these lines.

We currently have staff working in each Jobcentre (including one from Incommunities), to identify issues, such as the need for budgeting support. Staff in Adults and Children's Services have received training on UC and the availability of these split payments. As the Services that would most likely encounter such situations.

Finally, I know all the advice providers in the district have also been trained and I know they will continue to support and advise anyone in this difficult position. We must all pull together to support residents as much as possible. In the meantime however I call on the Government to heed the concerns now being expressed from all quarters, across the political divide. Even John Major has called it “unfair and unforgiving”. It is unacceptable that the poorest people in society should have yet another cut. Austerity is clearly not over.

### **Supplementary Question**

It is just this week we have heard from the Work and Pensions Secretary herself that some of the poorest members receiving Universal Credit will be £200 a month worse off so again is this not proving that this system despite all the diatribe from the Government that would be an amazing system and simplified is actually putting some of the most vulnerable and marginalising very difficult situations?

### **Councillor Susan Hinchcliffe**

Yes I think even the Government is now starting to think there needs to be a pause in this programme, Councillor Dunbar, and I was speaking to a landlord at the weekend who had been assured that things were going to be okay but now it is starting to be in practice he is saying it is just not working and people who are moving on to Universal Credit sometimes they are not accessing the advice that has been put in there. It is all there but accessing that and getting to understand it when your life might be in crisis for example is quite difficult to do so I think this is about vulnerable people’s lives and I think we need to be really careful about making changes in this area and I do hope the Government will listen to those voices which have been increasingly strong saying we need to pause, listen and act to make sure we do not have detrimental impact on some very vulnerable people in society.

### **17. Councillor Russell Brown**

Would the Portfolio Holder for Education, Employment and Skills join with me in congratulating Stanbury Primary School’s recent Ofsted report with its reference to STEM activities and how they are integrated into the curriculum and note the anecdotal evidence regarding the increased number of female students wanting to take up engineering as a career option?

### **Answer**

I am very happy to congratulate the school on their recent short inspection which found that the school is still good, and identified a broad range of strengths not just in terms of academic success but also how the school prepares pupils for life beyond school.

Our young people having the best possible preparation for adulthood and the world of work is one of the key priorities set out in the Council plan, as part of this it is important that we equip the young people of the District to make well-informed decisions regarding their options and consider fully the broad range of career opportunities available not just traditional routes based on historical working patterns. There is a lot of research about the contribution that diversity in the workforce makes to productivity, and STEM related occupations are critical to the future economic success of the District and a priority for the Leeds City Region.

The Council and its partners' continued commitment to the Bradford Pathways approach and Industrial Centres of Excellence will contribute to developing the workforce across all sectors in the District and addressing historical stereotyped, career choices.

### **Supplementary Question**

Can I thank the portfolio holder for his comprehensive response. Indeed this very morning I have attended the Bradford Manufacturing Week feedback session as mentioned by Councillor Tait at Keighley College with many companies in attendance including one that is recruiting young people into textile manufacturing albeit with computer aided looms which are producing high quality, high value materials. Could I just repeat the question to the portfolio holder? Would you like to come and visit us at our school and see what we do out in the sticks?

### **Councillor Imran Khan**

Yes absolutely. If I can just take this opportunity to thank you for inviting Councillor Dunbar and myself to a previous session that you ran up in Thornton and we had good fun up there producing some Yorkshire Roses. I think mine was slightly better than yours, or did you give up half way through, I do not know. It was really good and of course I am always open to those sort of invitations. Thank you.

### **18. Councillor Fozia Shaheen**

Could the Portfolio Holder share with me what engagement work is currently taking place in wards to provide support in the bonfire period, I would be keen to know what is being done with youth, elderly, organisations etc in and around the wards?

### **Answer**

Following feedback from last year's operation Bradford Council and Bradford District Police agreed to facilitate two regular partnership/tasking meetings.

The 'Operations' meeting, which is chaired by Bradford Council's Emergency Planning Team, has run for a number of years and will continue to discuss locations particularly relating to organised and sporadic bonfires. Focussing on safety and environmental tasking it agrees how to deploy appropriate resources and responses including Council Wardens, Fire Service, Incommunities, Highways and Environmental Enforcement. An operational plan supports the activity of this meeting.

The Bonfire Community Engagement meeting shares intelligence relating to Anti Social Behaviour (ASB) and community tensions. The meetings will be operational tasking/enforcement led to gain better co-ordination and sharing of intelligence in order to manage individuals. Persistent offenders will receive joint home visits from the local Neighbourhood Policing Team (NPT) and ASB Team. Targeted interventions and key messages to schools, faith and community groups will come from this meeting. The meeting will capture and share community tensions and consider opportunities for positive community engagement, with community and faith groups. The meeting will also identify groups or individuals who can mediate and offer resilience before, during and after the bonfire period. A Community

Engagement Plan will support the work of this meeting.

The two meetings will run back to back to ensure that partners have input into both. Actions will be captured and tasked appropriately. The group is meeting weekly, becoming daily week commencing 29 October. NPT Inspectors and Area Co-ordinator staff attend both meetings to ensure that ward-based intelligence and activity is coordinated and that local concerns are raised and responses are effective and appropriate.

Across West Yorkshire there are increased threats to West Yorkshire Fire and Rescue Service (WYFRS) and other emergency services. Operationally this will be monitored within Community Engagement meeting.

Council Contact Centre will record all incoming information related to bonfires and this will be treated as one source of intelligence to be shared with partners.

Council Cleansing staff will be tasked to remove fly tipping where we consider flammable materials have been dumped with the intention of creating a dangerous bonfire.

Where a complaint has been received the scene will be evaluated by Council staff and if there is any doubt then the Fire Service will be called for a second opinion.

A SILVER command room will be established for the full bonfire weekend and will only be stood down once all partners agree the situation is back to normal.

**19. Councillor Fozia Shaheen**

Could the Portfolio Holder share with me the number of people who use the tip sites on average and also how much waste is collected on a quarterly basis and what is the money from waste being used for from the tip sites?

**Answer**

We do not routinely record the number of visits. Income from recyclates is based on total collection of all recyclates and any income received is off-set against the overall waste disposal budget.

The tonnages at the household waste sites in 2017/18 are shown below. The figures reflect the fact that in May to July 2017 we rolled out alternative weekly collections across the district. This significantly increased the amount of household recycling collected at the kerbside and therefore the amount of recycling at the waste sites reduced as a result, as people no longer had to take it to the sites themselves.

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Recycling	9,423	9,304	6,029	5,123
Residual	3,298	3,815	3,196	3,262
Total	12,721	13,119	9,225	8,385

## 20. Councillor Brendan Stubbs

Can the Portfolio Holder provide a detailed breakdown of the number of hours each of the districts Council-run libraries have had to close early or temporarily over the last 12 months when they were timetabled to be open. Please include details for the reasons for those closures.

### Answer

The number of hours that libraries needed to be closed either due to staff shortage or other reasons from 1 October 2017 to 30 September 2018:

Library	Hours	Reasons
City Library	None	
Bingley	13.5	Staff shortage
Bingley	0.5	Incident
Eccleshill	31	Staff shortage
Ilkley	0	
Keighley	0	
Keighley Local Studies	5	Staff shortage
Laisterdyke	88.5	Staff shortage
Laisterdyke	6.5	Break In
Manningham	73	Staff shortage
Manningham	6	No Heating
Shipley	1	Health and safety
Wibsey	5.5	Staff shortage
Wyke	38.5	Staff shortage
<b>Hybrid Libraries</b>		
Baildon	7	No Volunteers
Baildon	3	Staff shortage
Clayton	1.5	No Volunteers
Clayton	11.5	Staff shortage

### Supplementary Question

Thank you for the answer. Can I just ask if the portfolio agrees or shares my concerns that when we are deciding whether we close or keeping a library open based on the number of books that are borrowed from it as one of the factors, that we need to do all that we can to make sure that all libraries do stay open when they should be open so that residents can access the service and borrow the books that they need to borrow?

### Councillor Sarah Feriby

Thank you Councillor Stubbs. Of course libraries are well used and books need to be taken out and I know from the question that you asked about the number of hours that some Council libraries were closed and some of the hybrids as well. I have actually asked officers the issues regarding this now. We have some vacant posts but we are actually shortly advertising for some apprenticeship posts because some of the issues have been round staffing levels but I take on your comments about library services. Thank you.

## 21. Councillor Fozia Shaheen

Could the Leader share with me how we are trying to make the chamber and politics in general more diverse in encouraging people from different backgrounds to be part of politics in the district.

### Answer

The diversity of our Councillors is increasing but there is more to be done to improve representation on all fronts:

- **Age.** The average age of Bradford Councillors is 54. This compares well with a national average of 62 (in 2013) but overall, the age profile of Bradford Councillors is much older than the electorate they represent. No Councillors are younger than 30 and the proportions aged 40-49, 50-59 and 60-69 are all significantly higher than among the wider electorate.
- **Gender.** There are now 35 female Councillors comprising 38.9% of the Council. This is higher than the national average - research by the Fawcett Society in 2017 found that 33% of Councillors nationally were women. But women continue to be under-represented and Bradford only just scrapes into the top 25% of Councils in terms of the proportion of female Councillors.
- **Ethnicity.** 28 Black and Minority Ethnic (BME) Councillors make up 31% of the Council compared to around 36% of the general population and 23% of the 18+ population. A census of Councillors undertaken in 2013 found that only 4% of Councillors nationally were from BME groups.

Clearly there is more to do and it is incumbent on political parties at the local and national level to look at the measures that they can take to promote participation among all people from different backgrounds, for example, all women shortlists have helped to increase the numbers of women councillors.

Clearly as the ruling group, Labour does not have any say over how other parties select their candidates. However locally the Labour Party continues to strive to be reflective of the communities we represent. In the Labour Group we are closer to 50:50 in terms of the gender split and on diversity we are around 45% BME.

A range of activity was undertaken in July as part of National Democracy Week in order to engage with under registered groups, better understand the barriers they face, and work to ensure that every member of society who is entitled to do so has an equal chance to participate in our democracy. The week was themed on the Suffrage Centenary celebrating 100 years since women won the right to vote and included:

- 3 Democracy Pop-Up Shops
- Social media campaign
- Work with partners, including Bradford People First, to tackle barriers to engagement and encourage democratic participation among under-registered groups.

- A 'register to vote' video which was created for previous campaign will be displayed on the Big Screen at Centenary Square and shared on social media channels and in Britannia House customer contact point.
- Youth service designed and delivered 2 group sessions (one on Vote for 16 campaign and the other for Youth Voter Registration), to young people in all youth centres across the Bradford District, during the week. The sessions included decisions, point of issues affecting young people, raising awareness of politics and encouraging young people to register to vote.
- Information published internally on Pride@work, Bradford Schools Online, Bradnews.
- Short video publicising voter registration on our website and shared on social media.

Democratic participation and citizenship is key to integration and our "Stronger Communities Strategy", linked to the integration area will help to give voice and influence to communities of interest giving them the confidence to become more involved in political and community life.

So we are doing a lot and there is a lot more we can do. There is a challenge for each and every one of us in the chamber to do all we can to make politics more accessible, open and relevant to all of the people we represent and, in so doing ensure that the full diversity of the District is better reflected both here and in wider political debate and participation.

## **22. Councillor Rebecca Poulsen**

In light of the closure of the Haworth Visitor Information Centre can the Portfolio Holder for Healthy People and Places confirm what proportion if any, of the £55,000 raised from the sale of the Penistone Hill toilet block will be invested in Haworth or on measures to promote Haworth as a tourist destination?

### **Answer**

On 24 February 2011 Full Council took a decision that all capital receipts generated from the sale of assets would be used to corporately fund the capital investment plan. This decision has enabled the Council to finance the capital investment plan in the most cost effective way and should not be confused with the decision to invest or incur capital costs.

The decision to incur capital expenditure is made by Budget Council when agreeing the Capital Investment Plan each February.

As the elected member may be aware, the Council is investing in the Central Park toilets in Haworth which are temporarily closed whilst the damp proofing works are completed at the cost of the Council prior to the Community Asset Transfer. Less substantial works have also been required at West Lane as well, ahead of that Community Asset Transfer. All these works are funded from the Council's corporate capital investment fund which includes capital receipts from sales of assets.

### **Supplementary Question**

Just to point out to the portfolio holder, thank you for the response but the capital funding you mention going into the toilets in Haworth Park is not to improve the toilets but is remedial work following the failure of the build and the original design that the Council have now got round to actually doing. It is not capital investment. My question though off the back of this is, what is the Council going to do to support tourism in the outer areas particularly in Haworth given their decision that they are now going to close the Visitor Information Centre which is the focal point of tourism across the village?

### **Answer**

Thank you Councillor Poulsen. Actually the question that you originally asked was directed to my colleague here (Councillor Ross-Shaw) because he has (in his portfolio) facilities. Obviously you know we were very disappointed with the outcome of the negotiations with the Bronte Society and officers are in discussions with a number of partners in the Haworth area to support tourism going forward. Some of the tourist information, that will be information in shops but as Councillor Ross-Shaw has just whispered in my ear we have got Sparkle in Bradford. Thank you.

### **23. Councillor Alan Wainwright**

Can the Portfolio Holder tell us the latest position on the Community Asset Transfer programme?

### **Answer**

54 have been or are in the process of being completed. 23 have temporary arrangements in place. We believe this to be the largest Community Asset Transfer (CAT) programme in the region.

The Council's CAT Team now comprises three surveyors and a project officer. As CATs are being promoted to support the on-going community based delivery of services, more CAT applications are expected to be submitted and the necessary policies, processes and systems are in place to deal with these in a timely manner.

Following the successful launch of the Council's CAT toolkit in June 2018, a second CAT information event will be held on 30th October 2018, focussing on community groups who are new to the CAT process. The event will be hosted by the Council's CAT team, and attended by the Portfolio Holder, Community Action Bradford and District (CABAD) and Locality. In addition guests from MACC, Manchester's CVS Support Organisation and a Manchester City Councillor are expected to attend to learn about how Bradford is successfully managing the CAT Process.

### **24. Councillor Kevin Warnes**

When will the Council construct the small pavement buildout by the bus terminus at the end of the Higher Coach Road, bearing in mind that (a) this simple measure has been the subject of discussions with the ward councillors for nearly two years, and (b) it would make it easier for our elderly and disabled residents and parents with small children to get on and off their buses?

**Answer**

There are currently no available funds for the construction of the build out on Higher Coach Road but the council is currently exploring financial support from the Bus 21 initiative. A realignment of the kerb has been constructed to date along with a Bus Clearway but does not provide adequate alignment of the bus due to the bus stop being on a curved radius. As a back up, this project could become part of the Shipley Area Committee list if local councillors are so minded.

**Supplementary Question**

Thanks to the portfolio holder for the response. I mean bad news comes in threes doesn't it? First we hear about climate change accelerating, then we hear of the Brexit talks are on the rocks and now this body blow that after two years of discussions with highways officers they cannot find the funds to construct a simple buildout on the pavement at the end of the Higher Coach Road. Nonetheless I am going to cling to the one bit of good news in the paragraph, you mention that the Council is exploring financial support from the Bus 21 Initiative. Can you please tell me more about this and can you please reassure me that this civic improvement will be realised in my lifetime? Thank you.

**Councillor Alex Ross-Shaw**

I can offer no such reassurances Councillor Warnes but obviously it is not something I have been close to because ward highways issues tend to go through the area committees in any case. So I do not know what highways officers will have suggested at the time because the budget would have always expected to come under there unless there was some sort of centralised safety element of it. I will send you some more information on Bus 21. Obviously maybe where Bus 18 which was a successful collaboration between the bus companies trying to work more closely together to support public transport across the region. Bus 21 is now the next step for that and it is trying to take it to the next level so I will send you some info on it.

**25. Councillor Aneela Ahmed**

I welcome the initiative for the new 20 mph zones. Can the Portfolio Holder outline the implementation plan?

**Answer**

We have started the initial feasibility work on a city centre 20mph zone and similar zones around schools. The city centre 20mph zone would cover roughly the top of town down to the National Science and Media Museum and up to the University and Bradford College. 20mph zones are a proven way of encouraging safer driving, more cycling and walking and generally creating a better environment for communities to live, work and play in. Research has shown improvements in physical and mental health, quality of life, community cohesion and sustainable and healthy modes of transport as a result of 20mph zones, while survival rates from a collision at 20mph can be ten times higher than at 30mph.

The city centre zone is targeted on roads where it can prove effective without the need for additional traffic calming measures and on nearby residential streets that already benefit from existing traffic calming measures. Roads like Prince's Way and

Hall Ings would require additional infrastructure to prove effective and therefore are not in the scope of the scheme at this point.

We are in the process of identifying the first phase of schools that would benefit most from 20mph zones in the vicinity, including in nearby residential streets with traffic calming features to capture as many journeys from the home to the school as possible. We are working with colleagues from Public Health to identify approaches to improve ways of walking to and from schools to increase safety and 'walkability' and 20mph zones will play a part in this work.

It is important to note that 20mph zones are not targeted at dangerous drivers who carelessly drive at extreme speeds regardless of the speed limit. We will continue to work with the police in taking targeted action on these drivers through Operation Steerside. 20mph zones are about reducing the average speed on the roads for the benefit of everyone.

Consultation with ward members and other stakeholders will begin next month and an interim report will be presented to the Executive in December 2018. The scheme will then be formally advertised and follow the normal democratic process.

## **26. Councillor Jackie Whiteley**

Can the Leader of the Council advise colleagues, via the provision of detailed figures for each of the last four years, whether in light of the significant drop in the number of Bradford Council employees, the Council's spending on Union staff time, waived office rental costs, stationary supplies and parking spaces etc has fallen comparably and can the Council confirm that Union employee time funded by the Council Taxpayer, relates to Council Employee Welfare and is not utilised for Municipal and / or Parliamentary Campaigning?

### **Answer**

The following are the last 4 years of figures of the facility time budgets to directly fund those individuals who are released from their duties to carry out Trade Union duties within the Council and within Schools:-

2014/15 - £753,751

2015/16 - £611,673

2016/17 - £616,297

2017/18 - £538,007

The Council has a statutory obligation to consult on budget reduction proposals / redundancies (and other matters such as TUPE, health and safety, discipline/capability procedures etc.) with the Trade Unions. This requires a significant amount of Trade Union time and this requirement continues year on year due to the constant budget cuts the Council has to make each year.

The Council does not provide free parking spaces.

The only accommodation provided is one small office in City Hall.

The Council has a statutory duty to provide the necessary resources, including stationery, accommodation and access to computers etc. to enable the Trade Unions to carry out their functions and duties. Therefore, stationery costs are not monitored separately for Trade Unions and not all stationery is provided by the Council.

Employee Welfare is only one aspect of the functions of a Trade Union, they undertake a range of functions that employers have a statutory duty to involve them in. They also provide valuable support for the Council with its staff training programme

Political campaigning is normally undertaken at regional level and any time on such campaigning is not funded by the Council.

### **Supplementary Question**

Thank you very much for your answer. It is good to see that the costs associated with union representation are decreasing. Obviously there is a statutory obligation to consult but given that the budgetary constraints of this Council and the fact that union members contribute subscriptions to unions is there any leeway, do you think there is any suggestion that we might think of asking the unions to contribute towards the cost of their own representatives in the Council?

### **Councillor Susan Hinchcliffe**

They already do by the function of their organisation. There is no issue with the fact that we have statutory obligation to consult with employees who have redundancy options available to them who might be going through a disciplinary etc and if we did not have trade union staff doing that we would have to pay staff in the Council to go and support those members, those employees, in those meetings. This is a HR cost. It has to happen. Every Council in the country, Conservative, Labour alike, all have trade union representatives doing this role and if we didn't we would have to employ people to do that, probably at a greater cost actually. They provide good value do our trade unions and actually in the changing times we are in, when austerity is so severe and we have taken what 2,000 people out of the organisation since it started, maybe more. That is a real cost to the organisation. There is change constantly and we could not go through the amount of change we go through year by year without the support of our trade unions and our employees. It is a very difficult situation for our employees to be in. Every year they get a letter saying they are going to be made redundant, every single member of the Council, absolutely they need support from their trade unions for them to keep functioning in our organisation. We should be grateful to the trade union movement for the support and the encouragement they provide for us to keep going, delivering good services in difficult times.

### **27. Councillor Tariq Hussain**

What events took place this summer to mark the anniversary of the Srebrenica genocide? Also what other activities is the council taking part in to tackle Islamophobia and other forms of hate?

### **Answer**

This week is National Hate Crime Awareness Week and a number of activities are taking place to highlight the issue including how we tackle Islamophobia.

Regarding Srebrenica, there was a memorial event held at City Hall on 9 July to commemorate the Srebrenica genocide. There was also a football tournament held at University Academy Keighley for teams of young people, to raise funds for Remembering Srebrenica.

Stand Up, Speak Out, Make a Difference (SUSOMAD) addresses Islamophobia and other forms of hatred. The programme includes training young people as peer guides for exhibitions about the Holocaust and the Srebrenica genocide, workshops focusing on prejudice in general and Islamophobia specifically, and pupils making a film about an aspect of prejudice that they want to address and using it as a peer education resource in school. This is available to primary and secondary schools.

THINK is a leadership development programme for young people aged 13 to 19 involving a residential course and peer education activities back in school. It develops young people's skills, knowledge and understanding around values, beliefs and their management of conflict so that they are equipped to think critically and confidently about their place in the world. It helps to realise young people's ability to resolve conflict peacefully and non-violently. We have funding for 4 schools to send 10-15 pupils each.

We offer training to school staff on a programme developed by the Sophie Lancaster Foundation. The sessions challenge common preconceptions and enable pupils to explore their values and beliefs and where they originate from. A wide range of issue-based topics are explored, including: how to respect equality and diversity in relationships; physical, mental and emotional well-being; how to recognise and manage emotions within a range of relationships; respect for self and others; rights and responsibilities; managing transition, bullying and hate crime and incidents. This has been offered to 25 primary schools.

Choices, developed in junction with The Peace Museum, has been offered to 20 primary schools and explores the concept of intolerance. An exhibition and workshop explore themes relating to the choices people make in times of conflict. The workshop covers themes such as propaganda, the influence of the media, democracy and the law and current political developments.

During a guided tour of the exhibition, which uses World War 1 as a starting point, students are asked to explore what courage means, what influences our decisions, and discover those who joined up to serve their country and those who spoke out for peace in times of conflict.

Small Steps for Peace is a programme of interactive peace education for Key Stage 2 pupils, developed by the Tim Parry Johnathan Ball Peace Foundation. It helps learners to: understand the causes of conflict, how it can be driven by diverse needs and wants and how it can be entrenched between in-groups of 'us' and out-groups of 'them'; understand the impact of conflict, gaining awareness of how they and others feel in conflict situations and the consequences of violence; develop active listening skills; build emotional intelligence, recognising and regulating their own emotional responses, empathising with others, and growing their confidence and capacity to communicate; practice problem solving in creative ways and in collaborative group settings.

**28. Councillor Tess Peart**

Can the Portfolio Holder tell us about some of the Christmas events planned this year in the district?

**Answer**

There are lots of Christmas events happening throughout the district to look forward to. To name just a few examples: the ever popular Santa Specials are back on the Shipley Glen tramway, which is always a wonderful experience for young children; we have the Made Bradford Christmas market on 10 November in the city centre when the Christmas lights are switched on; there's a Victorian Christmas market at the Industrial Museum on 17 and 18 November; Bingley hosts its Christmas Fayre and lights switch-on on 24 November; Keighley's Christmas lights switch-on takes place on 25 November; there are the fantastic Santa Steam Specials on the Keighley and Worth Valley Railway this festive season; in Clayton there is a Dickensian market; there is the Saltaire Living Advent trail which is always a fantastic sight and a fun event both for the community and for visitors; in Ilkley there is a food focused Christmas market; or for those who fancy something a bit darker on 5 December there is a ghost tour of the Police Museum led by the Civic Society! And of course as ever there is a great range of festive shows and pantomimes to look forward to this year. People can keep checking the Visit Bradford website for the latest updates at: <https://www.visitbradford.com/thedms.aspx?dms=12&festival=5018>

**29. Councillor David Ward**

What is the total cost of redundancy/early retirement payments associated with the Prevention and Early Help restructure?

**Answer**

We are part-way through the process, with the restructure still being implemented. At the time of writing, the cost of voluntary redundancies is £898,000.

**Supplementary Question**

What is the estimated date for completion of the process?

**Councillor Adrian Farley**

Thank you for the question Councillor Ward. The process is still ongoing at the moment. I do not have the information to hand but I will endeavour to send it to you.

**30. Councillor Fozia Shaheen**

Could the Portfolio Holder tell me what training and support is given to our adult social care workers in home care. Please could you share the training and update how effective it has been?

**Answer**

All the Social Care staff employed by the Council have their Health and Social Care Level 2 award. There are a few Trainees and Apprenticeship Enablement Assistants who are completing their Care Certificate and will follow on from this to attend college one day a week and complete their Level 2 award over a two year period. It is a requirement to complete the Care Certificate before working with people.

### **Supplementary Question**

I just want to say thank you to the officers and the team of the Adult Social Care. I have been someone who has used this service first hand and I have just experienced from the past years to now we have done really well so a vote of thanks to the service despite all the Government cuts. We are doing really well as a district Council.

### **Councillor Sarah Feriby**

Thank you Councillor Shaheen. That is very, very much appreciated and I will make sure that is passed on to Council officers.

### **31. Councillor Mike Pollard**

Can the Leader of the Council confirm the value of any Lender Option, Borrower Option (LOBO) Loans that the Council has, along with details of their duration and any interest rate rises, actual or possible, that should give cause for concern?

### **Answer**

The Council has 6 LOBO loans with a total value of £41.4m. This comprises 5 individual loans totalling £33.9m with fixed interest rates of 4.5% with the residual £7.5m loan having a 3.6% rate. The loans range in duration from 25 years to 47 years remaining. Officers in Finance would be more than happy to share the loan by loan breakdown with Cllr Pollard.

### **Supplementary Question**

Thank you to the Leader for the answer. Interesting that the answer states that the interest rates are fixed. As the, pardon the expression, BO part of LOBO stands for Borrower Option which I understand can only be exercised when the lender exercises their option to change ie presumably increase interest rates, can the Leader confirm that the contracts entered into specifically were described therein as LOBO loans?

### **Councillor Susan Hinchcliffe**

So Councillor Pollard you can absolutely have a one to one with Andrew Crookham (Director of Finance) to explain all this however what I can tell you is that these LOBOs were taken about 15 even 10/15 years ago probably when the interest rate was not fixed but in 2016 we fixed it. Whereas other authorities maybe more exposed because the rate maybe going up and down, with us it is fixed but happy to sit with you and Andrew Crookham to go through it in more detail if you still have further questions. Thank you Councillor Pollard.

### **32. Councillor Mohammed Shafiq**

What will be the impact of the £2m Heritage Lottery Fund grant at the top of town?

### **Answer**

The overarching objective is to increase the economic activity at the 'Top of Town' by using its historic environment as a positive resource. The scheme is designed to improve the public space and heritage assets, bringing business and investor

confidence, creating an improved shopping, living and working environment, and encouraging further regeneration.

Bradford Council's vision for the 'Top of Town' is for it to become a thriving, well connected city centre quarter, vibrant during the day and night, with quality independent shops and leisure uses, alongside high quality offices and residential breathing new life into historic buildings and enhancing the heritage of the area. Establishing an urban village of city dwellers will help make the retail and commercial offer more sustainable, while the area will become the thriving core for the independent enterprise community, allowing new and established businesses to benefit from the rich historic built environment.

- The Townscape Heritage scheme will build upon ongoing regeneration activity, in particular that to the area around North Parade where several bars have opened in recent years. In addition to improving the built historic environment, there will be better connection between the 'Top of Town' and the area around The Broadway shopping centre, bringing a new vibrancy to the area and making it more economically attractive. The area to benefit from the grants, available via Bradford Council through the National Lottery Townscape Heritage scheme, includes: Period properties concentrated along North Parade, Rawson Place, Darley Street, Northgate, Piccadilly, Upper Piccadilly, Duke Street and James Street
- 37 structures on the National Heritage List for England
- 47 key unlisted buildings dating to when the city was known as 'Worstedopolis', the woollen textile capital of the world.

Regeneration of the built environment will be teamed with a scheme of public realm improvements centred around the Statue of Richard Oastler on Northgate.

A comprehensive activity programme will also help raise public awareness of Bradford's wonderful architecture to widen people's knowledge of the 'Top of Town' area, develop an understanding of historic buildings and the skills needed to maintain and protect them, and increase awareness of how protection and preservation of our heritage can enhance our communities and places.

A leaflet is being distributed to Members with more details of the works.

### **33. Councillor Abid Hussain**

What is the latest situation on the parking review for Ilkley after the recent consultation?

#### **Answer**

In response to concerns raised by ward members and local residents, a report was commissioned to assess town centre parking in Ilkley. The report, by traffic consultants, Steer, Davies & Gleave, found evidence of people parking in residential areas and on-street in the town centre before using the train station to commute to work outside of Ilkley, causing problems for residents and businesses who were not

seeing the benefit of on-street parking that should be used to encourage a turnover of shoppers. The report included a number of recommendations to better manage traffic and parking within Ilkley town centre.

The recommendations include:

Recommendation 1: Protect on street parking for use by short stay shoppers and encourage turnover

Recommendation 2: Introduce resident parking schemes to reduce commuter parking in residential areas

Recommendation 3: Increase tariffs at South Hawksworth Street car park and reinvest additional income into parking facilities

Recommendation 4: Improve Blue Badge parking provision

Recommendation 5: Review the business permit scheme with a view to reducing business permit parking provision

Recommendation 6: Improve presentation and co-ordination of alternative travel options

Recommendation 7: Undertake an urban realm study to identify ways of improving the pedestrian environment

We are proposing to implement these recommendations and are currently consulting on them. We have extended the consultation to reflect public interest and three public exhibitions have taken place with an attendance in excess of approximately 1,200 people over the three events. Online representations have been made along with hundreds of 'Have your say' forms completed. The comments and views will be tabulated and presented for consideration.

Early amendments based on initial key stakeholder feedback from groups such as the Ilkley Business Forum included the provision of loading bays for local business and additional residential parking over and above what was looked at in the parking review. Early feedback from questionnaires sent to residents by John Grogan MP found broad support for the proposals and we will assess the consultation responses to consider what further amendments could be made to address any concerns raised.

#### **34. Councillor Chris Herd**

Would the Portfolio Holder for Regeneration, Planning and Transport advise colleagues why Historic England were not consulted regarding the decision to demolish Cherry Tree Farm, a listed building dating back several hundred years?

#### **Answer**

The Council advised the owner that it considered Cherry Tree Farm to be a dangerous structure, and without attention it posed a risk to public safety. The owner

subsequently demolished the structure. Historic England was aware of the situation through previous discussions with the Council's Heritage Conservation Team. However the urgency of the situation, where the building posed a significant risk to the public, meant that the decision to demolish had to be taken swiftly. Historic England itself has acknowledged publicly that when health and safety becomes a major factor, the local authority has the power to carry out emergency measures to protect the public.

**Supplementary Question**

Was the building or any of the land around in the Council ownership of Cherry Tree Farm?

**Councillor Alex Ross-Shaw**

No, none of the land was in Council ownership.

**35. Councillor Jeanette Sunderland**

Can you please advise by ward, per month for each of the last four years the number of broken street lights that have been reported and how many of them have been repaired within an eight week period?

**Answer**

This information has been collated and runs to a document of 61 pages in length. I will email it to all members.

**Supplementary Question**

Thank you very much to the person who is going to send me 61 pages. I shall look forward to reading every single one and will ensure that I do. The reason for asking the question and raising the concern really was having been contacted by a couple of members of the public who said that when they rang to find out about a street light being off or on for a long period of time, they were given the phone number of a third party supplier and told to ring them and ask them. I followed this up myself and was given the said phone number in order to ring up to find out so what I want to know is, is this now standard procedure because if it is, it sucks.

**Councillor Alex Ross-Shaw**

Thank you. I agree that does sound like it sucks so we will look into that. I am not sure that should be the case.

**36. Councillor Richard Dunbar**

Would the Leader join me in congratulating the Fire Brigades Union who this year celebrate their centenary as an organisation.

**Answer**

Absolutely. At this time of year Firefighters are particularly busy and therefore we thank them most sincerely for their work. The Fire Brigades Union has a long and proud history of representing its members and ensuring that the public continues to receive a good, safe emergency service. I wish them all the best for the next 100 years!

### **37. Councillor Debbie Davies**

As Organ Donation Week highlighted the fact that 15 people from Bradford died whilst on the waiting list in the past five years whilst 41 people from Bradford received a transplant last year, could the Portfolio Holder for Healthy People and Places investigate measures which the Council could do, such as a link on the website etc, to encourage people to consider signing up to become organ donors after their death?

#### **Answer**

It is vital to raise the awareness of organ donations. Bradford recently joined others in lighting up several buildings in pink to show their support during organ donation week.

We have already been in discussion with the NHS Blood and Transplant organisation to understand what we can do to promote organ donation here in Bradford. They see Bradford as a priority area where they would like to increase the numbers on the NHS Organ Donor Register (ODR).

We intend to support organ donation in a number of ways:

- including a link on our Council website to our pages for residents to sign up - [organdonation.nhs.uk](http://organdonation.nhs.uk) and [blood.co.uk](http://blood.co.uk)
- supporting campaigns such as Organ Donation Week on our social media channels

#### **Supplementary Question**

I am not sure for healthy people and places which one of you that is. Just to say thank you for the very positive reply. Very refreshing.

### **Councillor Sarah Feriby**

You are welcome Councillor Davies.

### **38. Councillor Brendan Stubbs**

Can the Portfolio Holder please advise the length of waiting times for a place to join swimming lessons provided at each of the districts swimming pools, broken down by the different stages (Aquatots 0-4, Juniors 4+, Adults 16+ and Senior Citizens) and the Premium and Deluxe packages. As well as the number applicants in the waiting list at each stage or package for each of the pools.

#### **Answer**

The information requested has been collated, as below, and more detail can be provided direct to the member if required.

Waiting lists for all packages from 1 September 2018 – 8 October 2018:

- Bingley - 22
- Bowling – 107
- Eccleshill – 112
- Ilkley – 22 (pool currently closed for maintenance)
- The Leisure Centre Keighley - 47

- Queensbury - 25
- Richard Dunn - 57
- Shipley - 159
- Tong – 1

The lessons currently run in blocks of 12 weeks and we fill up the classes up to and including week 4. Most swimming pools do have waiting lists and the anticipated waiting time for lessons is below:

#### Juniors

- Bingley - 6 months
- Bowling - 6 months
- Eccleshill - 6 months
- Ilkley - 6 months
- The leisure Centre Keighley - 6 months
- Queensbury - 3 months
- Richard Dunn - 6 months
- Shipley - 6 months
- Tong – 3 months

#### Adult and Child

- Bingley - 3 months
- Bowling - 3 months
- Eccleshill - 6 months
- Ilkley - 9 months
- The leisure Centre Keighley - 6 months
- Queensbury - 3 months
- Richard Dunn - 6 months
- Shipley - 6 months
- Tong – don't run adult and child classes

#### Adults

- Bingley - 3 months
- Bowling - 6 months
- Eccleshill - 6 months
- Ilkley - 6 months
- The leisure Centre Keighley - 2 months
- Queensbury - 2 months
- Richard Dunn - 3 months
- Shipley - 6 months / day time immediately
- Tong – don't run adult classes

Premium (maximum 6 pupils in a class) and Deluxe (1:1 or 1:2 lessons):

- Bingley - 3 months
- Bowling – don't do as restricted on space due to waiting list for Juniors
- Eccleshill - 3 months
- Ilkley - don't do as restricted on space due to waiting list for Juniors and Adult and Child

- The Leisure Centre Keighley - 3 months
- Queensbury - 3 months
- Richard Dunn - 6 months
- Shipley - 3 months
- Tong – don't run premium or deluxe classes at present time

### **Supplementary Question**

Thank you for the answer again. Clearly the concerns that were raised with me by residents are borne out in the numbers here and I wonder if the portfolio holder would agree with me that these numbers clearly show there is a demand for action to do something to tackle this problem and whether she has already taken steps or whether they are looking at steps they can take to make sure that hundreds of people who want to learn to swim who cannot currently in the district are able to get to a swimming pool and have those lessons in a reasonable time period?

### **Councillor Sarah Feriby**

Thank you Councillor Stubbs. Yes action has already been taken and Shipley has extended by an hour and is looking for a further extension for time to allow lessons. Eccleshill has also had an additional teacher so that there are altogether 72 pupils benefitted from that. As we know Ilkley is currently closed for maintenance but a full review of lesson programming and times will be undertaken for the reopening and also Queensbury Pool has extended by half an hour.

### **39. Councillor Martin Smith**

Could the Portfolio Holder for Regeneration, Planning and Transport advise members on the number of Compulsory Purchase Orders issued last year and during this year to date?

### **Answer**

There have been 15 housing Compulsory Purchase Orders (CPOs) and 2 Highways CPOs made since January 2017 to date (a total of 17).

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**Report of the Assistant Director of Finance and Procurement to the meeting of Governance and Audit Committee to be held on 22 March 2018.**

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**AD**

**Subject:**

**Treasury Management Policy Statement, Minimum Revenue Provision Strategy and Annual Investment Strategy 2018/19.**

**Summary statement:**

**This report shows the Council's Treasury Strategy for borrowing for the three financial years commencing 2018/19 and the Annual Investment Strategy for 2018/19**

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**Portfolio:  
Leader**

**Overview & Scrutiny Area:**

**Corporate**



## 1. Introduction

### 1.1 Background

CIPFA defines treasury management as:

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

Treasury management and the Council’s cash flows depend on its budgeted spend. The Council is required to set balanced Revenue Estimates, financing day to day expenditure with equal revenue income. So for the annual Revenue Estimates, broadly speaking, money spent is matched by income and there is neither a reduction on cash balances or a borrowing requirement over the full year.

The key challenge for treasury management is the spend on schemes in the Council’s Capital Budget or Capital Investment Plan. This draw on cash due to the Capital Investment Plan is part of treasury management operations. This involves long term cash flow planning and may involve arranging long or short-term loans. Further existing loans may need to be replaced or restructured. Treasury operations can also involve prudently investing the cash balances held in reserves.

### 1.2 Reporting requirements

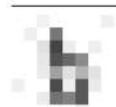
As part of the high governance standard, the Council approves three reports each year, including the current report. These are:

**Treasury Management Policy Statement, Minimum Revenue Provision Strategy and Annual Investment Strategy 2018-19** - This includes the following:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

**A mid-year treasury management report** – This will update Members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

**An annual treasury report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.



Further, the above reports are scrutinised before being recommended to the Council. This role is undertaken by the Governance and Audit Committee.

### **1.3 Capital Strategy**

An initial Corporate Capital Strategy was approved in the Capital Investment Plan 2018-19 to 2021-22 (Executive 20 February 2018). This was in advance of the requirement set out in statutory guidance to prepare a Capital Strategy from 2019-20. However, the Council will further develop its Corporate Strategy for 2019-20, covering the following issues:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability
- Capital expenditure, investments and liabilities and treasury management
- Value for money, prudence, sustainability and affordability

### **1.4 Investment Advisory Group**

An Investment Advisory Group is being set up to oversee a strategy for generating income from investment in non-financial assets such as investment property (9 January 2018 Executive, A Strategy for Growth in income for Council Tax, Business Rates and Investment).

### **1.5 Organisation, clarity, segregation of responsibilities, and dealing arrangements**

The CIPFA Treasury Management Code outlines a requirement for clarity on Treasury management responsibilities.

The Section 151 Officer has overall responsibility for the Treasury Management function. Authority is delegated from the Section 151 Officer to the Treasury Manager to conduct dealing in financial assets.

### **1.6 Training**

The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny.

The training needs of treasury management officers are periodically reviewed. Treasury management consultants

The Council uses Link Asset Services, as its external treasury management advisors, though it is going through at present a tendering process to market test these Treasury services.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our



external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

## 1.7 Treasury Management Strategy for 2018/19

The strategy for 2018/19 covers two main areas:

### Capital issues

- the Capital Investment Plan and prudential indicators;
- the Council's policy on the minimum revenue provision (MRP) and use of capital receipts

### Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;

## 2. Capital Investment Plan and Prudential Indicators 2018-19

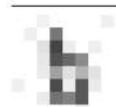
As noted above, the Council's Capital Investment Plan is a key challenge for treasury management. The impact can be quantified with what are called prudential indicators. These prudential indicators are recommended by statutory guidance as a way of assessing risk.

### 2.1 Capital expenditure

The prudential indicator is a summary of the Council's capital expenditure plans, excluding Private Finance Initiative and leasing arrangements, which are budgeted for in the Revenue Estimates.

Capital expenditure £m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
<b>Total</b>	<b>61</b>	<b>90</b>	<b>176</b>	<b>173</b>	<b>98</b>

Further this prudential indicator summarises the funding arrangements for the Capital, per the table below:



<b>Financing of capital expenditure £m</b>	<b>2016/17 Actual £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>
Capital receipts	6	3	8	11	4
Capital grants	39	48	61	71	48
Capital reserves	0	0	0	3	0
Revenue	4	3	3	3	3
Net financing need for the year	12	36	104	85	43

## 2.2 The Council's borrowing need (the Capital Financing Requirement)

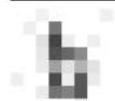
The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so the underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £190m of such schemes within the CFR.

<b>£m</b>	<b>2016/17 Actual £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>
<b>Capital Financing Requirement</b>					
<b>Total CFR</b>	653	664	745	804	821
<b>Movement in CFR</b>		+11	+81	+59	+17

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)		36	104	85	43
Less MRP/VRP and other financing movements		-25	-23	-26	-26
<b>Movement in CFR</b>		11	81	59	17



### 2.3 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

### 2.4 Ratio of financing costs to 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.

%	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Ratios	16%	16%	16%	17%	17%

The estimates of financing costs include current commitments and the proposals in this budget report.

### 2.5 Policy Statements on the Minimum Revenue Policy and capital receipts

The Minimum Revenue Provision (MRP) policy as approved in the Council's Capital Investment Plan for 2018-19 onwards (Executive 20 February) is set out below:

The Local Government Act 2003 requires the Council to make a provision for the repayment of borrowing used to finance its capital expenditure, known as the Minimum Revenue Provision (MRP).

The MRP is the amount of principal capital repayment that is set aside each year in order to repay the Capital Financing Requirement (CFR) based on the requirement of statutory regulation and the Council's own accounting policies.

The Council is required to state as part of its budget process the policy for determining its MRP. The policy changed in 2016-17 generating savings in the current and future years. The method for calculating the MRP on each category of debt is outlined below:

- The policy for charging MRP on historic supported borrowing is on the asset life method calculated on an equal instalment basis over 50 years.
- Unsupported or prudential borrowing MRP is based on the Asset Life method – that is, the expenditure financed from borrowing is divided by the expected asset life. For schemes funded before 31st March 2012 the MRP is calculated on the annuity basis and for schemes funded after 1st April 2012 the MRP is calculated on an equal instalment basis. This means no change to existing policy.
- Since 2009/10 the appropriate financing costs for the Council's Building Schools for the Future (BSF) Private Finance Initiative (PFI) schemes have been included in MRP calculations. Appropriateness includes an ongoing consideration of asset lives.



- To consider whether amounts set aside using an annuity calculation previously in excess of the equal instalment basis should be returned to the General Fund for current and future years.

The CFR represents the amount of capital expenditure that has been financed from borrowing, less any amounts that the Council has set aside to repay that debt through the MRP. Borrowing may come from loans taken from the Public Works Loan Board (PWLB) or commercial banks, finance leases (including PFI) or from the use of the Council's own cash balances.

The flexible use of capital receipts policy as approved in the Council's Capital Investment Plan for 2018-19 onwards (Executive 20 February) is set out below:

In March 2016 the Government published statutory guidance on the flexible use of capital receipts for a three-year period covering 2016/17 to 2018/19. Councils were previously only allowed to spend such money on further capital projects or repay debt. But now capital receipts can be used to fund the revenue costs of transformation projects which are designed to generate on going revenue savings in the delivery of public services to transform service delivery in a way that reduces costs or demand for services in the future. As part of 2018/19 Provisional Local Government Finance Settlement, the Secretary of State announced an extension of this flexibility for a further three years to 2022.

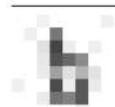
There are no plans to use this flexibility in the 2018/19 financial year. However, given the size and scale of the transformation programme, it is possible that the Council will seek approval from the Secretary of State to use capital receipts in this flexible manner in future.

### **3. The current Treasury position**

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

#### **3.1 Current borrowing position**

The Council's treasury portfolio position at 31 March 2017, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.



£m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
<b>External Debt</b>					
Debt at 1 April	332	332	322	417	485
Expected change in Debt	0	-10	95	68	31
Other long-term liabilities (OLTL)	195	186	182	174	166
Expected change in OLTL	-9	-9	-8	-8	-7
Actual gross debt at 31 March	<b>523</b>	<b>504</b>	<b>591</b>	<b>651</b>	<b>675</b>
The Capital Financing Requirement	<b>653</b>	<b>664</b>	<b>745</b>	<b>804</b>	<b>821</b>
Under / (over) borrowing	<b>132</b>	<b>162</b>	<b>154</b>	<b>153</b>	<b>146</b>

The position shown above includes a projection of the 2017-18 Outturn position. It also assumes the progress of all the schemes in the Capital Investment Plan, with an adjustment for slippage. It will be updated following the Capital Outturn for 2017-18 and further analysis of new schemes in the Capital Investment Plan, which are subject to detailed, costed business cases and further approval from Executive.

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Assistant Director of Finance and Procurement reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

### **3.2 Treasury Indicators: limits to borrowing activity**

**The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.



Operational boundary £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Debt	400	400	470	500
Other long term liabilities	220	200	200	180
Total	620	600	670	680

**The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all council's plans, or those of a specific council, although this power has not yet been exercised.

Authorised limit £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Debt	440	420	490	520
Other long term liabilities	240	220	220	200
Total	680	640	710	720

### 3.3 Prospects for interest rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

Link Asset Services Interest Rate View													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.50%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%
3 Month LIBID	0.40%	0.70%	0.70%	0.90%	0.90%	0.90%	0.90%	1.20%	1.20%	1.20%	1.40%	1.40%	1.40%
6 Month LIBID	0.50%	0.80%	0.80%	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.50%	1.50%	1.50%
12 Month LIBID	0.80%	1.10%	1.10%	1.20%	1.20%	1.20%	1.30%	1.40%	1.40%	1.50%	1.70%	1.70%	1.70%
5yr PWLB Rate	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

The Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. At its February 2018 meeting, there was no change in Bank Rate but the forward guidance changed significantly to warn of "earlier, and greater than anticipated" rate of increases in Bank rate compared to their



previous forward guidance. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in May and November 2018, November 2019 and August 2020.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. There was a sharp rise in bond yields after the US Presidential election in November 2016 and yields have risen further more recently as a result of an agreement to a big increase in the government deficit aimed at stimulating economic growth and the Fed taking the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature. We have also seen a sharp selloff in equities and bonds in February 2018 that has given further impetus to a rise in bond yields.

Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The Fed has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to exert some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period. Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic growth in the UK is probably even. The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.



Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- The Bank of England takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.
- Germany is still without a fully agreed and stable coalition government after the inconclusive result of the general election in October. In addition, Italy is to hold a general election on 4 March and the anti EU populist Five Star party is currently in the lead in the polls, although it is unlikely to get a working majority on its own. Both situations could pose major challenges to the overall leadership and direction of the EU as a whole and of the individual respective countries. Hungary will hold a general election in April 2018.
- The result of the October 2017 Austrian general election has now resulted in a strongly anti-immigrant coalition government. In addition, the Czech ANO party became the largest party in the October 2017 general election on a platform of being strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.



- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

### **Investment and borrowing rates**

- Investment returns are likely to remain low during 2018/19 but to be on a gently rising trend over the next few years.
- Borrowing interest rates have been volatile so far in 2017-18 and increased sharply after the result of the general election in June 2017, after the September MPC meeting, (when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases), and again in January and February 2018. Increases have been sharper in periods up to 10 years than in longer maturities. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

### **3.4 Borrowing strategy**

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

The current context, though, is that the Council's cash balances are reducing and there is a future draw on cash from the Capital Investment Plan. There will be a requirement to borrow in 2018-19. Cash balances and capital spend will be closely monitored and projected forward. As it is felt that cash balances are getting too low or likely to be too low in the future, borrowing will be undertaken in appropriate tranches. In deciding the appropriate tranches of borrowing, caution will be exercised in projecting forward capital spend.

Further, the Assistant Director of Finance and Procurement will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:



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

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

### **3.5 Debt rescheduling**

As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

All rescheduling will be reported to the Governance and Audit Committee, at the earliest meeting following its action.

## **4. Annual Investment Strategy**

### **4.1 Investment policy**

The Council's investment policy has regard to the MHCLG's Guidance on Local Government Investments ("the Guidance") and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, portfolio liquidity second, then return.

In accordance with the above guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in



relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in appendix 3 under the ‘specified’ and ‘non-specified’ investments categories. Counterparty limits will be as set through the Council’s treasury management practices – schedules.

#### **4.2 Creditworthiness policy**

The primary principle governing the Council’s investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council’s prudential indicators covering the maximum principal sums invested.

The Assistant Director of Finance and Procurement will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing.

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- Banks/ Building Society 1 - good credit quality – the Council will only use banks/building societies which:
  - i. are UK banks/building societies; and/or



- ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AA-

and have, as a minimum, the following Fitch, Moody's and Standard and Poor's credit ratings (where rated):

Short Term – S & P A-1 Fitch F1 and Moody's P-1

Long Term – Moody's Aa3

- Banks/ Building Society 2 same as Bank 1 apart from Moody's rating of A1
- Banks/ Building Society 3 a credit rating of at least one of the following Moody's long term A3, Fitch short term F1 or S & P short term A-1.
- Banks– Part nationalised UK bank 4 – Nat West Bank. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks/ Building Society 1, 2 or 3 above.
- Banks 5 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- Bank subsidiary and treasury operation -. The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above. .
- Money market funds (MMFs) – AAA Moody's Fitch or S&P
- Local authorities, parish councils etc

A limit of 20% will be applied to the use of non-specified investments.

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps) will be applied to compare the relative security of differing investment counterparties.

**Time and monetary limits applying to investments.** The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):



	Money Limit	Time Limit
<b>Banks/Building Society 1</b>	<b>£30m</b>	<b>2yrs</b>
<b>Banks/Building Society 2</b>	<b>£20m</b>	<b>1yr</b>
<b>Banks/Building Society 3</b>	<b>£7m</b>	<b>100 day</b>
<b>Nat West Bank</b>	<b>£20m</b>	<b>1yr</b>
<b>Council's bank if below above criteria</b>		<b>Day exposure</b>
<b>Local authorities</b>	<b>£20m</b>	<b>1yr</b>
<b>Money market funds</b>	<b>20m</b>	<b>Liquid</b>
<b>Co-op Bank temporary until alternative banking arrangements can be made</b>		<b>Day exposure</b>

The proposed criteria for specified and non-specified investments are shown in Appendix 3 for approval.

#### 4.3 Country and sector limits

Due care will be taken to consider the country, group and sector exposure of the Council's investments.

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 4. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

#### 4.4 Investment strategy

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

#### **Investment returns expectations.**

Bank Rate is forecast to stay flat at 0.50% until quarter 4 2018 and not to rise above 1.50% by quarter 1 2021. Bank Rate forecasts for financial year ends (March) are:

- 2017/18 0.50%
- 2018/19 0.75%
- 2019/20 1.00%



- 2020/21 1.25%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

	<b>Now</b>
2017/18	0.40%
2018/19	0.80%
2019/20	1.25%
2020/21	1.50%
2021/22	1.65%
2022/23	1.75%
2023/24	2.00%
Later years	2.75%

The overall balance of risks to these forecasts is currently skewed to the upside and are dependent on how strong GDP growth turns out, how quickly inflation pressures rise and how quickly the Brexit negotiations move forward positively.

**Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

<b>Maximum principal sums invested &gt; 365 days</b>			
<b>£m</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Principal sums invested > 365 days	£20m	£20m	£20m

For its cash flow generated balances, the Council will seek to utilise instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

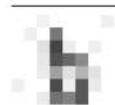
#### **4.5 Investment risk benchmarking**

This Council will use an investment benchmark to assess the investment performance of its investment portfolio of 7 day LIBID compounded.

#### **4.6 Treasury Policies/Issues**

The Treasury policy sets limits on amounts invested dependant on certain credit criteria. Any bank that falls outside this benchmark is therefore not used.

The schools however have their own individual bank accounts spread across the four main UK banks. At 31/03/17 their overall bank balances with Lloyds was £18.8m, Barclays £5.1m, HSBC £2.1m, Nat West £1.1m and £0.8m with Yorkshire Bank. Estimated balances are



expected to fall to £26.7m by 31/03/18 and £19.1m by 31/03/19 although this is subject to change dependant on School Academy conversions.

As this money is controlled by the schools and not the Treasury Manager, there is the risk that reductions to credit ratings may place these accounts outside the preferred credit criteria outlined in the Treasury Policy. The schools have had temporary exception in the past (November 2016) due to the expectations of most of the schools converting to academies.

Since the financial crisis of 2008, legislative changes have been put in place by the Government aimed at strengthening the financial system. One of these reforms is to separate retail banking (ringfenced bank) from investment banking. All of the four major banks have had to go through this process, which has to be finalised by January 2019 but most will be completed before then.

The school balances will be in the retail or ring fenced part of the bank for Lloyds, Nat West and HSBC but not for Barclays.

The credit rating agencies are now reviewing the ratings and there will likely be downgrades for the unringfenced part of the bank for Barclays (rating change will be completed after restructure expected April 2018). The addition of this new legislation consequently adds another level of uncertainty going forward.

This raises the following issues\_

i) The schools have their own individual balances with the four main banks and could exceed their Treasury policy limits for Barclays.

ii)Further more it should be noted that centrally held cash balances have reduced significantly (due to repayment of loans and use of reserves), this means that our investment limits maybe reduced in the future.

iii)It could also means that a large percentage of the overall cash held by the council could be in the schools bank accounts, concentrated in a few counterparties.

Proposal – Review undertaken on school balances and progress reported in the next Treasury report.

#### **4.7 End of year investment report**

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

### **5. Other considerations**

#### **5.1 None**

### **6. Financial and Resources Appraisal**

#### **6.1 The financial implications are set out in this report**



## **7. Risk Management and Governance Issues**

7.1 The principal risks associated with treasury management are:

Risk: Loss of investments as a result of failure of counterparties

Mitigation: Limiting the types of investment instruments used, setting lending criteria for counterparties, and limiting the extent of exposure to individual counterparties

Risk: Increase in the net financing costs of the authority due to borrowing at high rates of interest.

Mitigation: Planning and undertaking borrowing and lending in light of assessments of future interest rate movements, and by undertaking mostly long term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs).

## **8. Legal Appraisal**

**8.1 Any relevant legal considerations are set out in the report**

## **9. Other Implications**

9.1 Equality & Diversity – no direct implications

9.2 Sustainability implications – no direct implications

9.3 Green house Gas Emissions Impact – no direct implications

9.4 Community safety implications – no direct implications

9.5 Human Rights Act – no direct implications

9.6 Trade Unions – no direct implications

9.7 Ward Implications – no direct implications

**10. Not for publications documents – none**

## **11. Options**

11.1 None

## **12. Recommendations**

12.1 That the Treasury report be noted by Governance and Audit and passed through to full council for adoption.

## **13. Appendices**

Appendix 1 Prudential and Treasury Management indicators and MRP statement

Appendix 2 Economic background

Appendix 3 Treasury management – credit and specified non-specified investments.

Appendix 4 Approved countries for investments

Appendix 5 Treasury management scheme of delegation

Appendix 6 The treasury management role of the section 151 officer

## **14. Background Documents**

Treasury Management Schedules

Treasury Management Practices

Treasury Policy



## Appendix 1

### 1. Prudential and Treasury Management Indicators 2018/19 – 2020/21 and MRP Statement

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

#### 1.1 Capital expenditure

Capital expenditure £m	2016/17 Actual £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
<b>Total</b>	<b>61</b>	<b>90</b>	<b>176</b>	<b>173</b>	<b>98</b>

#### 1.2 Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

MHCLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

The MRP is calculated in equal instalments over the life of the asset. However, the Council is formally required to state as part of its budget process the policy for determining its MRP. The policy was changed in 2016-17 generating savings in the current and future years. The method for calculating the MRP on each category of debt is outlined below:

- The policy for charging MRP on historic supported borrowing is on the asset life method calculated on an equal instalment basis over 50 years.
- Unsupported or prudential borrowing MRP is based on the Asset Life method – that is, the expenditure financed from borrowing is divided by the expected asset life. For schemes funded before 31st March 2012 the MRP is calculated on the annuity basis and for schemes funded after 1st April 2012 the MRP is calculated on an equal instalment basis. This means no change to existing policy.
- Since 2009-10 the appropriate financing costs for the Council's Building Schools for the Future (BSF) Private Finance Initiative (PFI) schemes have been



included in MRP calculations. Appropriateness includes an ongoing consideration of asset lives.

- To consider whether amounts set aside using an annuity calculation previously in excess of the equal instalment basis should be returned to the General Fund for current and future years.

### 1.3 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

#### Ratio of financing costs to 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.

%	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Ratios	16%	16%	16%	17%	17%

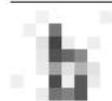
The estimates of financing costs include current commitments and the proposals in this budget report.

### 1.4 Treasury indicators for debt

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

£m	2018/19	2019/20	2020/21
<b>Interest rate exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
Limits on fixed interest rates based on net debt	+175%	+175%	+175%
Limits on variable interest rates based on net debt	+20%	+20%	+20%



### 1.5 Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Maturing in:	Upper Limit	Lower Limit
Under 1 year	20%	0%
1 to 2 years	20%	0%
2 to 5 years	50%	0%
5 to 10 years	75%	0%
10 years and above	90%	20%

#### Maturity structure of variable interest rates

Maturing in:	Upper Limit	Lower Limit
Under 1 year	20%	0%
1 to 2 years	20%	0%
2 to 5 years	20%	0%
5 to 10 years	20%	0%
10 years and above	20%	0%

### 1.5. Control of interest rate exposure

Please see paragraphs 3.3, 3.4 and 4.4



## Appendix 2: Economic Background

**GLOBAL OUTLOOK.** World growth looks to be on an encouraging trend of stronger performance, rising earnings and falling levels of unemployment. In October, the IMF upgraded its forecast for world growth from 3.2% to 3.6% for 2017 and 3.7% for 2018.

In addition, inflation prospects are generally muted and it is particularly notable that wage inflation has been subdued despite unemployment falling to historically very low levels in the UK and US. This has led to many comments by economists that there appears to have been a fundamental shift downwards in the Phillips curve (this plots the correlation between levels of unemployment and inflation e.g. if the former is low the latter tends to be high). In turn, this raises the question of what has caused this? The likely answers probably lay in a combination of a shift towards flexible working, self-employment, falling union membership and a consequent reduction in union power and influence in the economy, and increasing globalisation and specialisation of individual countries, which has meant that labour in one country is in competition with labour in other countries which may be offering lower wage rates, increased productivity or a combination of the two. In addition, technology is probably also exerting downward pressure on wage rates and this is likely to grow with an accelerating movement towards automation, robots and artificial intelligence, leading to many repetitive tasks being taken over by machines or computers. Indeed, this is now being labelled as being the start of the fourth industrial revolution.

### KEY RISKS - central bank monetary policy measures

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as Quantitative Easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that that period of stimulating economic recovery and warding off the threat of deflation is coming towards its close and a new period has already started in the US, and more recently in the UK, on reversing those measures i.e. by raising central rates and (for the US) reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of an on-going reduction in spare capacity in the economy, and of unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this then also encouraged investors into a search for yield and into investing in riskier assets such as equities. This resulted in bond markets and equity market prices both rising to historically high valuation levels simultaneously. This, therefore, makes both asset categories vulnerable to a sharp correction. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their



timing to neither squash economic recovery by taking too rapid and too strong action, or, alternatively, let inflation run away by taking action that was too slow and/or too weak. The potential for central banks to get this timing and strength of action wrong are now key risks.

There is also a potential key question over whether economic growth has become too dependent on strong central bank stimulus and whether it will maintain its momentum against a backdrop of rising interest rates and the reversal of QE. In the UK, a key vulnerability is the low level of productivity growth, which may be the main driver for increases in wages; and decreasing consumer disposable income, which is important in the context of consumer expenditure primarily underpinning UK GDP growth.

A further question that has come to the fore is whether an inflation target for central banks of 2%, is now realistic given the shift down in inflation pressures from internally generated inflation, (i.e. wage inflation feeding through into the national economy), given the above mentioned shift down in the Phillips curve.

- Some economists favour a shift to a lower inflation target of 1% to emphasise the need to keep the lid on inflation. Alternatively, it is possible that a central bank could simply 'look through' tepid wage inflation, (i.e. ignore the overall 2% inflation target), in order to take action in raising rates sooner than might otherwise be expected.
- However, other economists would argue for a shift *UP* in the inflation target to 3% in order to ensure that central banks place the emphasis on maintaining economic growth through adopting a slower pace of withdrawal of stimulus.
- In addition, there is a strong argument that central banks should target financial market stability. As mentioned previously, bond markets and equity markets could be vulnerable to a sharp correction. There has been much commentary, that since 2008, QE has caused massive distortions, imbalances and bubbles in asset prices, both financial and non-financial. Consequently, there are widespread concerns at the potential for such bubbles to be burst by exuberant central bank action. On the other hand, too slow or weak action would allow these imbalances and distortions to continue or to even inflate them further.
- Consumer debt levels are also at historically high levels due to the prolonged period of low cost of borrowing since the financial crash. In turn, this cheap borrowing has meant that other non-financial asset prices, particularly house prices, have been driven up to very high levels, especially compared to income levels. Any sharp downturn in the availability of credit, or increase in the cost of credit, could potentially destabilise the housing market and generate a sharp downturn in house prices. This could then have a destabilising effect on consumer confidence, consumer expenditure and GDP growth. However, no central bank would accept that it ought to have responsibility for specifically targeting house prices.

**UK.** After the UK surprised on the upside with strong economic growth in 2016, growth in 2017 has confounded pessimistic forecasts of weak growth by coming in at 1.8%, only marginally down on the 1.9% rate for 2016. In 2017, quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 +0.3% (+1.5% y/y), quarter 3 +0.4% (+1.5% y/y) and Q4 was +0.5% (+1.5% y/y). The outstanding performance came from the manufacturing sector which showed a 1.3% increase in Q4 and +3.1% y/y helped by an increase in exports due to the lower value of sterling over the last year and robust economic growth in our main trade



partners, the EU and US. It is also notable that there has been a progressive acceleration in total GDP growth during the year which gives ground for optimism looking forward into 2018.

While the Bank of England is expected to give forward guidance to prepare financial markets for gradual changes in policy, the Monetary Policy Committee, (MPC), meeting of 14 September 2017 managed to shock financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting. (Inflation actually came in at 3.1% in November so that may prove now to be the peak. Inflation fell to 3.0% in December.) This marginal revision in the Bank's forecast can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment having already fallen to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of automation and globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a *decrease* in such globalisation pressures in the UK, and so this would cause additional inflationary pressure over the next few years.

At its 2 November meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.

It is also worth noting the contradiction within the Bank of England between action in 2016 and in 2017 by two of its committees. After the shock result of the EU referendum, the Monetary Policy Committee (MPC) voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a sharp slowdown in economic growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was *because* the MPC took that action. However, other commentators regard this emergency action by the MPC as being proven by events to be a mistake. Then in 2017, we had the Financial



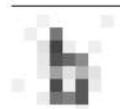
Policy Committee (FPC) of the Bank of England taking action in June and September over its concerns that cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit! Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that some consumers may have over extended their borrowing and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.

Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out.

**EZ.** Economic growth in the eurozone (EZ), (the UK's biggest trading partner), had been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and has now gathered substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.1% y/y), 0.7% in quarter 2 (2.4% y/y) and +0.6% in quarter 3 (2.6% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in December inflation was 1.4%. It is therefore unlikely to start on an upswing in rates until possibly 2019. It has, however, announced that it will slow down its monthly QE purchases of debt from €60bn to €30bn from January 2018 and continue to at least September 2018.

**USA.** Growth in the American economy was notably erratic and volatile in 2015 and 2016. 2017 started erratically with quarter 1 coming in at an annualised rate of only 1.2%, quarter 2 at 3.1%, quarter 3 3.2% and Q4 2.6%. This gave an overall figure for annual growth in 2017 of 2.6%, an acceleration from 1.5% in 2016. Unemployment in the US has also fallen to the lowest level for seventeen years, reaching 4.1%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with five increases in all and four increases since December 2016; the latest rise was in December 2017 and lifted the central rate to 1.25 – 1.50%. There could then be another four increases in 2018. At its September meeting, the Fed said it would start in October to gradually unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.



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

**JAPAN.** GDP growth has been gradually improving during 2017 to reach an annual figure of 2.1% in quarter 3. However, it is still struggling to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

### **Brexit timetable and process**

- March 2017: UK government notifies the European Council of its intention to leave under the Treaty on European Union Article 50
- March 2019: initial two-year negotiation period on the terms of exit. In her Florence speech in September 2017, the Prime Minister proposed a two year transitional period after March 2019.
- UK continues as a full EU member until March 2019 with access to the single market and tariff free trade between the EU and UK. Different sectors of the UK economy will leave the single market and tariff free trade at different times during the two year transitional period.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK could also exit without any such agreements in the event of a breakdown of negotiations.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On full exit from the EU: the UK parliament would repeal the 1972 European Communities Act.
- The UK will then no longer participate in matters reserved for EU members, such as changes to the EU's budget, voting allocations and policies.



### **Appendix 3: Treasury Management Practices – Credit and Specified Investments:**

The CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 23/03/2010 and will apply its principles to all investment activity. In accordance with the Code, the Assistant Director of Finance and Procurement has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

**Annual investment strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

**SPECIFIED INVESTMENTS:** These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' quality criteria where applicable.



	<b>Minimum credit criteria</b>	<b>Use</b>
Debt Management Agency Deposit Facility	UK sovereign rating	In house
Bonds issued by banks and building societies (including covered )	Moody's Aa3, Fitch F1 and S & P A-1 or above	In house
Bonds issued by banks and building societies	Moody's A1, Fitch F1 and S&P A-1 or above	In house
Bonds issued by banks and building societies	At least one of Moody's A3, Fitch F1 or S&P A1	In house
UK Government Treasury bills	UK sovereign rating	In house
Money Market Funds	AAA	In house
Local authorities	N/A	In house
Term deposits with banks and building societies	Moody's Aa3, Fitch F1 and S & P A-1 or above	In house
Term deposits with banks and building societies	Moody's A1, Fitch F1 and S&P A-1 or above	In house
Term deposits with banks and building societies	At least one of Moody's A3, Fitch F1 or S&P A-1	In house



Certificates of deposit issued by banks and building societies	Moody's Aa3, Fitch F1 and S & P A-1 or above See note 1	In house
Certificates of deposit issued by banks and building societies	Moody's A1, Fitch F1 and S & P A-1 or above	In house
Certificates of deposits issued by banks and building societies	Moody's A3, Fitch F1. At least one of the following Moody's A3 Fitch FP and S&P A1	In house
Floating rate notes issued by banks and building societies (including covered)	Moody's Aa3, Fitch F1 and S & P A-1 or above	In house
Floating rate notes issued by banks and building societies (including covered)	Moody's A1, Fitch F1 and S & P A-1 or above	In house
Floating rate notes issued by banks and building societies (including covered)	At least one of the following Moody's A3 Fitch F1 and S&P A1	In house
UK Government Bonds	Sovereign rating	In house



**Non-specified investments** –are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below.

1. Maturities of ANY period

	<b>Minimum Credit Criteria</b>	<b>Use</b>
Term deposits with unrated counterparties with unconditional guarantee from parent	Parent companies credit rating taken.	In-house

2. Maturities in excess of 1 year

	<b>Minimum Credit Criteria</b>	<b>Use</b>	<b>Max. maturity period</b>
Term deposits – banks and building societies	Moody's Aa3, Fitch F1 and S & P A-1 or above	In-house	2 years
Certificates of deposit issued by banks and building societies	Moody's Aa3, Fitch F1 and S & P A-1 or above	In-house	2 years
Floating rate notes issued by banks and building societies (including covered)	Moody's Aa3, Fitch F1 and S & P A-1 or above	In house	2 years
Bonds issued by banks and building societies (including covered)	Moody's Aa3, Fitch F1 and S & P A-1 or above	In house	2 years
Bonds issued by UK government	Sovereign rating	In house	2 years



## Appendix 4 Approved countries for investments

### AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

### AA+

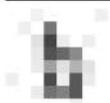
- Finland
- Hong Kong
- U.S.A.

### AA

- France
- U.K.

### AA-

- Belgium



## **Appendix 5: Treasury management scheme of delegation**

### **(i) Full Council**

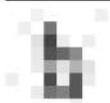
- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

### **(ii) Governance and Audit Committee**

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;

### **(iii) Internal Audit**

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.



## Appendix 6: The treasury management role of the section 151 officer

### The S151 (responsible) officer Assistant Director of Finance and Procurement

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that Members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (*TM Code p54*): -
- Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
- Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;



- Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
- Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
- Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.



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**Report of the Assistant Director of Finance and Procurement to the meeting of Governance and Audit Committee to be held on 27 September 2018.**

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**P**

**Subject:**

Annual Treasury Management Report 2017/18

**Summary statement:**

This report shows the Council's Treasury Management activities for the year ending 31 March 2018

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**Portfolio:  
Leader**

**Overview & Scrutiny Area:**

**Corporate**

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# Annual Treasury Management Report 2017/18

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## 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 (Council 18/07/2017).
- A mid-year (minimum) treasury update report (Council 12/12/2017).
- An annual review following the end of the year describing the activity compared to the strategy (this report).

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 Governance and Audit Committee before they were reported to the full Council.

## 2.1 The Economy and Interest Rates

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 with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year which meant 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 their expenditure. However, growth did pick up modestly in the second half of 2017.

Consequently, market expectations during the autumn rose significantly that the Monetary Policy Committee (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.

## 2.2 Overall Treasury Position as at 31 March 2018

At the beginning and the end of 2017/18 the Council's treasury, (including borrowing by PFI and finance leases), position was as follows:

	31 March 2017 Principal	31 March 2018 Principal
Borrowing	£336m	£326m
PFI and other finance leases	£186m	£178m
Total debt	£522	£504m
CFR	£653m	£669m
Over / (under) borrowing	(£131m)	(£165m)
Total investments	£50m	£35m
Net debt	£472m	£469m

## 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 March 2020. There would also be gradual rises in medium and longer term fixed borrowing rates during 2017/18 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be

dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

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.

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 the Council continued to monitor projected interest rates against projected capital spend. There is a need to balance against taking borrowing to 'lock in' long term borrowing at historically low rates and mitigate against the risk of delaying borrowing at higher rates.

### 2.3 The Borrowing Requirement and Debt

The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). The CFR represents the sum of historic borrowing required to fund the Council's capital investment less any provision made for the repayment of that debt through the Minimum Revenue Provision (MRP). This does not necessarily equate to external borrowing as the Council can use its own cash balances to fund its borrowing requirements. Where this occurs it is sometimes referred to as being "under borrowed" as if those cash balances are exhausted the Council would need to go out and borrow externally.

	31 March 2017 Actual	31 March 2018 Budget	31 March 2018 Actual
Capital Financing Requirement	£653m	£675m	£669m

#### 2.3.1 Minimum Revenue Provision Policy Update

The MRP is the amount of principal capital repayment that is set aside each year in order to repay the CFR based on the requirement of statutory regulation and the Council's own accounting policies.

The Council's 2017/18 MRP Policy (as required by the Ministry of Housing, Communities and Local Government (MHCLG) Guidance) was approved as part of the Capital Investment Plan on 23 February 2017. Following a review to ensure the policy complied with the statutory duty to make a prudent provision it has been amended and approved by Council on the 17<sup>th</sup> July 2018.

The Council's 2017/18 MRP Policy reviewed and approved by Full Council (23 February 2017) was:

- a) The policy for charging MRP on historic supported borrowing is on the asset life method calculated on an equal instalment basis over 50 years.

- b) Unsupported or prudential borrowing MRP is based on the Asset Life method – that is, the expenditure financed from borrowing is divided by the expected asset life. For schemes funded before 31st March 2012 the MRP is calculated on the annuity basis and for schemes funded after 1st April 2012 the MRP is calculated on an equal instalment basis.
- c) Since 2009-10 the appropriate financing costs for the Council's Building Schools for the Future (BSF) Private Finance Initiative (PFI) schemes have been included in MRP calculations. Appropriateness includes an on going consideration of asset lives.

The policy change to historic supported borrowing was introduced in 2016-17. Prior to this, MRP for capital expenditure pre 1 April 2008 was charged at 4% on a reducing balance basis. At this time the change to the policy was not applied backwards to 2008.

Following an MRP review, two changes have been approved to the policy. These are:

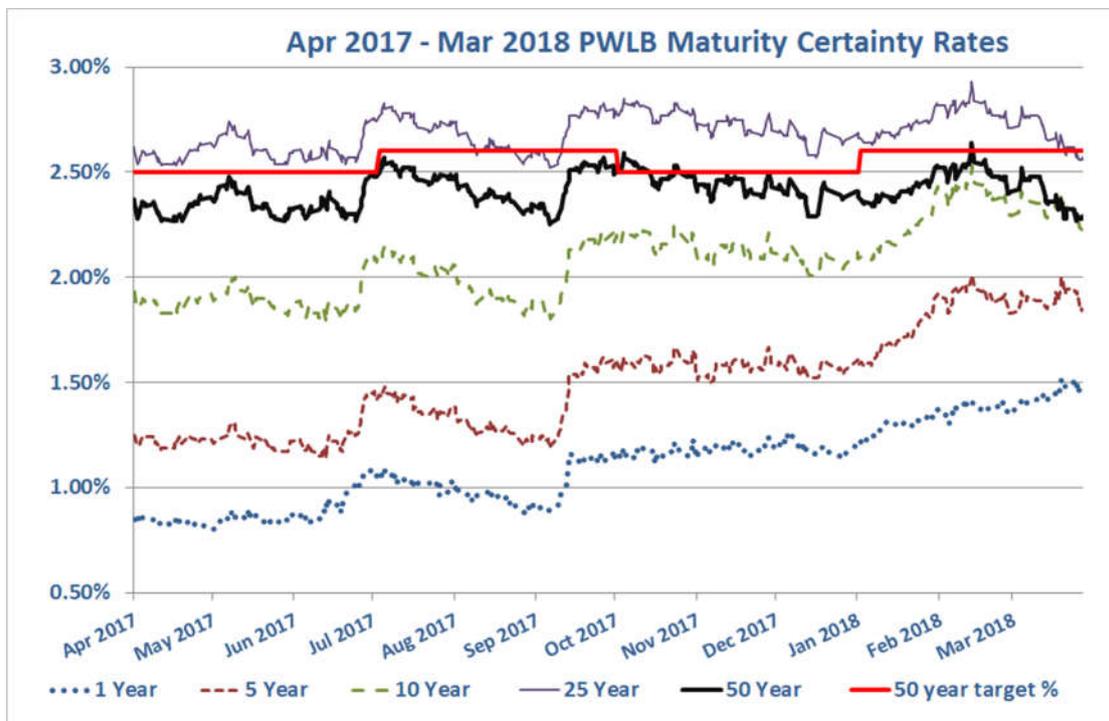
- To apply the 2% straight line method on its historic supported borrowing back to 2008-09 from 2017/18.
- The future charge for PFI schools from 2018/19 onwards being calculated using asset lives.

## 2.4 Borrowing Rates in 2017/18

**PWLB certainty maturity borrowing rates:** as depicted in the graph below and tables 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 graph 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.



## 2.5 Borrowing Outturn for 2017/18

Borrowing is undertaken to fund net unfinanced capital expenditure and naturally maturing debt and also to maintain cash flow liquidity requirements. Due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year. The Council maintained an under borrowed position, using internal cash balances to fund spend.

### Rescheduling

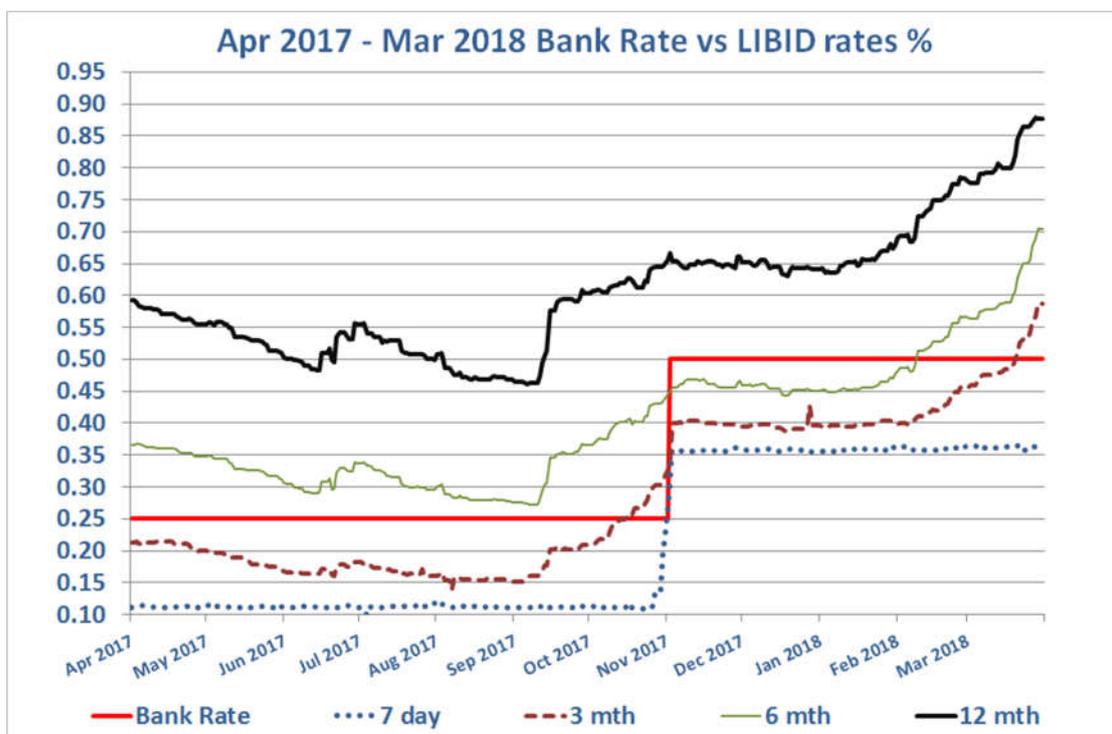
The Council did not engage in any debt-rescheduling during 2017/18 as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable, as the premium calculation we pay would increase.

## Repayments

On 10/02/18 the Council repaid £10m at a rate of 4.5% using investment balances. The maturity of this loan results in an annual saving of 450k in interest.

## 2.6 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 February 2018.



## 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 which will be approved by full council on 16/10/18. 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 £66m of internally managed funds. The internally managed funds earned an average rate of return of 0.4%. This compares with a budget assumption of £85m investment balances earning an average rate of 0.6%. The comparable performance indicator is the average 7-day LIBID rate which was 0.22%.

## **2.8 Other issues**

### **2.8.1 Revised CIPFA Code**

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sector 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 Council 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 Council have been apportioned between treasury and non-treasury investments.

An Investment Advisory Group is being set up to oversee a strategy for generating income from investment in non-financial assets such as investment property (9 January 2018 Executive, A Strategy for Growth in income for Council Tax, Business Rates and Investment). Officers will report to Members when the implications of these new codes have been assessed as to the likely impact on this Council.

An initial Corporate Capital Strategy was approved in the Capital Investment Plan 2018/19 to 2021/22 (Executive 20 February 2018). This was in advance of the requirement set out in statutory guidance to prepare a Capital Strategy from 2019/20. However, the Council will further develop its Corporate Strategy for 2019/20, covering the following issues:

- A high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
- An overview of how the associated risk is managed.
- The implications for future financial sustainability.
- Capital expenditure, investments and liabilities and treasury management.
- Value for money, prudence, sustainability and affordability.

### **2.8.2 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 this Council apart from having to fill in forms

sent by each institution dealing with this Council and for each type of investment instrument we use, apart from for cash deposits with banks and building societies.

### **3. Other considerations**

None

### **4. Financial and Resources Appraisal**

4.1 The financial implications are set out in section 2 of this report

### **5. Risk Management and Governance Issues**

5.1 The principal risks associated with treasury management are:

Risk: Loss of investments as a result of failure of counterparties.

Mitigation: Limiting the types of investment instruments used, setting lending criteria for counterparties, and limiting the extent of exposure to individual counterparties.

Risk: That the council will commit too much of its investments in fixed term investments and might have to recall investments prematurely resulting in possible additional costs or new borrowing (Liquidity risk).

Mitigation: Ensuring that a minimum proportion of investments are held in short term investments for cashflow purposes.

Risk: Increase in the net financing costs of the Council due to borrowing at high rates of interest.

Mitigation: Planning and undertaking borrowing and lending in light of assessments of future interest rate movements, and by undertaking mostly long term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs).

Risk: Associated with cash management, legal requirements and fraud.

Mitigation: These risks are managed through:

- i) Treasury Management Practices covering all aspects of Treasury management procedures including cashflow forecasting, documentation, monitoring, reporting and division of duties.
- ii) All Treasury management procedures and transactions are subject to inspection by internal and external auditors.
- iii) The council also employs external financial advisors to provide information on market trends, credit rating alerts, lending criteria advice and investment opportunities.

### **6. Legal Appraisal**

6.1 Any relevant legal considerations are set out in the report

## **7. Other Implications**

- 7.1 Equality & Diversity – no direct implications
- 7.2 Sustainability implications – no direct implications
- 7.3 Green House Gas Emissions Impact – no direct implications
- 7.4 Community safety implications – no direct implications
- 7.5 Human Rights Act – no direct implications
- 7.6 Trade Unions – no direct implications
- 7.7 Ward Implications – no direct implications
- 7.8 Implication for Corporate Parenting – no direct implications
- 7.9 Issues arising from Privacy Impact Assessment– no direct implications

## **8. Not for publications documents – none**

## **9. Options**

- 9.1 None

## **10. Recommendations**

10.1. Be noted by Governance and passed to the full council meeting on 16<sup>th</sup> October 2018 for adoption.

10.2 Note the change in the MRP Policy approved at the Council meeting on 17<sup>th</sup> July 2018

## **11. Appendices**

- Appendix 1: Prudential and treasury indicators
- Appendix 2: Graphs
- Appendix 3: Borrowing and investment rates
- Appendix 4: Money market investment rates 2017/18

## **12. Background Documents**

- Treasury Management Schedules
- Treasury Management Practices
- Treasury Policy

Appendix 1: Prudential and treasury indicators

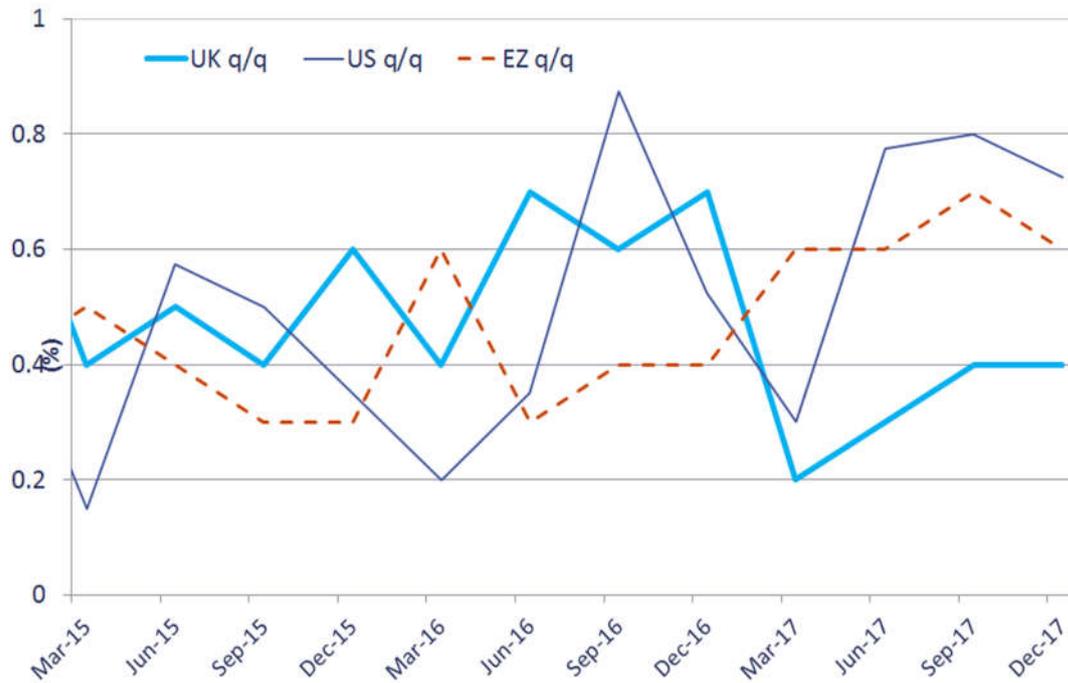
<b>1. PRUDENTIAL INDICATORS</b>	<b>2016/17 Actual £'m</b>	<b>2017/18 Original £'m</b>	<b>2017/18 Actual £'m</b>
Capital Expenditure	£61.5m	£124m	£72.9m
Ratio of financing costs to net revenue stream	15.9%	16.2%	15.8%
Gross borrowing requirement General Fund	£336m	£341m	£326m
Capital Financing Requirement	£653m	£675m	£669m

<b>2. TREASURY MANAGEMENT INDICATORS</b>	<b>2016/17 actual £'m</b>	<b>2017/18 original £'m</b>	<b>2017/18 actual £'m</b>
Authorised Limit for external debt - borrowing	£336m	£440m	£326m
other long term liabilities	£186m	£240m	£178m
<b>TOTAL</b>	<b>£522m</b>	<b>£680m</b>	<b>£504m</b>
Operational Boundary for external debt - borrowing	£336m	£400m	£326m
other long term liabilities	£186m	£220m	£178m
<b>TOTAL</b>	<b>£522m</b>	<b>£620m</b>	<b>£504m</b>
Actual external debt	£336m	£341m	£326m
Upper limit for fixed interest rate exposure	175%	175%	175%
Upper limit for variable rate exposure	+20 %	+20%	+20%
Upper limit for total principal sums invested for over 365 days (per maturity date)	£0m	£20m	£0m

Maturity structure of fixed rate borrowing during 2017/18	upper limit	lower limit
under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and within 20 years	90%	0%
20 years and within 30 years	90%	0%
30 years and within 40 years	90%	0%
40 years and within 50 years	90%	0%

## Appendix 2: Graphs

### UK, US and EZ GDP growth

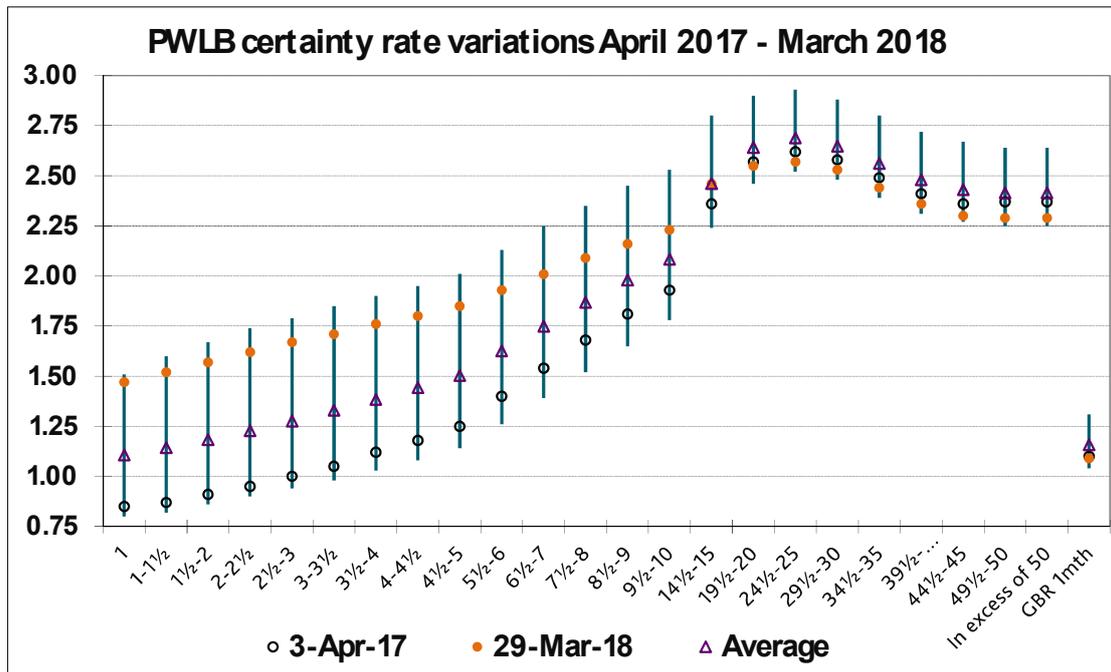


### Inflation UK, US, Germany and France



Appendix 3: Borrowing and investment rates

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%

#### Appendix 4 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



**Report of the Assistant Director Finance and Procurement to the meeting of Governance and Audit Committee to be held on 27 September 2018.**

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**Q**

**Subject:**

Treasury Management Mid Year Review up to 31 August 2018.

**Summary statement:**

This report shows the Council's Treasury Mid Year Review up to 31 August 2018.

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Andrew Crookham  
Assistant Director Finance and  
Procurement

**Portfolio:**  
**Leader**

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**Overview & Scrutiny Area:**  
**Corporate**

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## Treasury Management Review up to 31<sup>st</sup> August 2018

### 1.1 Background

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

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

Accordingly, treasury management is defined as:

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

### 1.2 Introduction

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017) was adopted by this Council.

The primary requirements of the Code are as follows:

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

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2018/19 financial year.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- The Council's capital position (prudential indicators).

- A review of the Council's borrowing strategy for 2018/19.
- A review of any debt rescheduling undertaken during 2018/19.
- A review of compliance with Treasury and Prudential Limits for 2018/19.
- A review of the Council's investment portfolio for 2018/19.

## 2 Economics and interest rates

### 2.1 Economics update

**UK** The economy has bounced after temporary factors saw a slow start to the year. With consumer spending growth likely to be boosted by falling inflation, GDP should post reasonable expansion over the quarters ahead. Indeed, the consumer sector has driven the Q2 recovery, with retail sales growing strongly, helped by the Royal Wedding, good weather and the World Cup. The recent pick up in oil prices may, though, rein in growth in real wages. There could also be a temptation for households to start to save, having run down savings over the last year or so as the squeeze has hit finances. Consumer confidence levels are certainly consistent with solid spending growth, while the labour market should underpin spending.

The boost from exports, on the back of a post referendum decline in the value of Sterling, has continued to dissipate, so net trade's input to growth may diminish. However, investment should grow and survey evidence indicates that firms' investment intentions remain high. With capacity constraints now a factor, the incentive to invest is obvious. Commentators still hope the UK/EU to deliver a status quo transition period, which will lead to some form of free trade agreement a further couple of years down the line. However, failure of negotiations and/or a change in government would be significant for the outlook. On the basis that these conditions are met, analysts are looking at reasonable growth in the coming years.

During January and February financial markets were viewing a Bank Rate increase at the May Monetary Policy Committee (MPC) meeting as likely to be a near certainty after strong growth in the second half of 2017. However, the ensuing weeks before the meeting saw opinion turn right around and the MPC did not disappoint by leaving rates unchanged due to concerns as to whether the weak growth in quarter 1 was indicative of the start of a prolonged slow down or just a temporary blip, to which bad weather had been just one contributor. Since May, opinion changed to an expectation of increase in August which duly happened with the bank rate now standing at 0.75%.

However, there remains much uncertainty around the Brexit negotiations, consumer spending levels and business investment, so it is still far too early to be confident about how strong growth and inflationary pressures will be over the next two years, and therefore the pace of any rate increases.

**EU** Growth in the bloc has slowed markedly from 2017, with Q2 GDP coming in lower than hoped, and at 0.3% the weakest for two years. Despite providing massive monetary stimulus, underlying price pressures remain weak. This comes despite headline inflation breaching the 2% target, resulting in gains across most of the bloc. However, Germany and Spain are exceptions. Gains are largely down to higher oil price effects on energy inflation. Core inflation has also edged a little higher but remains some way short of 2%.

Gains have been, in part, due to the timing of public holidays, and current increases should not indicate an upward trend in price pressures. At its June meeting, the ECB announced it would halve its monthly quantitative easing purchases from €30bn to €15bn, and then end all purchases after December. It is unlikely to make a start on increasing interest rates until late in 2019.

**USA** Annualised Q2 GDP growth is projected to improve to 4.5% on a recovery in consumption growth and a healthier contribution from net exports. There is no apparent impact from the US tariff impositions as iron and steel production slowed over the month. The boost when it comes, will likely be more than offset by the impact on those areas which rely on metal. The Fed has started on an upswing in rates with seven increases since the first one in December 2015, the latest one being in June 2018 to lift the central rate to 1.75 – 2.00%. There could be a further two or more increases in 2018. In October 2017, the Fed became the first major western central bank to make a start on unwinding quantitative easing by phasing in a gradual reduction in respect of reinvesting maturing debt.

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

**Japan** The best economic run, (of positive growth for eight quarters), since the 1980s came to an end in quarter 1 with a contraction of -0.6% blamed on weak exports. However, it is still struggling to get inflation up to its target rate of 2% despite huge monetary and fiscal stimulus, with inflation falling to only 0.4% in May. It is also making little progress on fundamental reform of the economy.

## 2.2 Interest rate forecasts

The Council’s treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

The MPC increased interest rates on the 2 August 2018 from 0.50% to 0.75%. It is not thought that the MPC will increase Bank Rate, ahead of the deadline in March for Brexit. It is also felt that the MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by the next increases in May and November 2020 to reach 1.5%.

The financial markets are expecting the next increase in Bank Rate to be in February 2019 and then only one more in February 2020, therefore ending March 2021 at only 1.25%. The MPC commented that the markets were too cautious with their view of the pace of increases.

However, and this is a very big caveat, the forecasts above by the MPC and Link Asset Services are predicated on an assumption that sufficient progress is made, in respect of negotiations, to produce a reasonable agreement for Brexit that benefits both the EU and the UK in a sensible manner. If no agreement is reached at all, then our forecasts for increases in Bank rate and PWLB rates will be subject to greater change, most likely downwards.

## **2.3 Treasury Management Strategy Statement and Annual Investment Strategy Update**

The Treasury Management Strategy Statement (TMSS) for 2018/19 was noted by Governance and Audit on 22<sup>nd</sup> March 2018 and passed through for approval by the Council on 16<sup>th</sup> October. The underlying TMSS approved previously, requires revision in the light of a review of the Minimum Revenue Provision (MRP) Policy during 2017/18. The changes are set out below:

### **Minimum Revenue Provision Policy Update**

The MRP is the amount of principal capital repayment that is set aside each year in order to repay the CFR based on the requirement of statutory regulation and the Council's own accounting policies.

The Council's 2017/18 MRP Policy (as required by the Ministry of Housing, Communities and Local Government (MHCLG) Guidance) was approved as part of the Capital Investment Plan on 23 February 2017. Following a review to ensure the policy complied with the statutory duty to make a prudent provision it has been amended and approved by Council on the 17<sup>th</sup> July 2018.

The Council's 2017-18 MRP Policy reviewed and approved by Full Council (23 February 2017) was:

- a) The policy for charging MRP on historic supported borrowing is on the asset life method calculated on an equal instalment basis over 50 years.
- b) Unsupported or prudential borrowing MRP is based on the Asset Life method – that is, the expenditure financed from borrowing is divided by the expected asset life. For schemes funded before 31st March 2012 the MRP is calculated on the annuity basis and for schemes funded after 1st April 2012 the MRP is calculated on an equal instalment basis.
- c) Since 2009-10 the appropriate financing costs for the Council's Building Schools for the Future (BSF) Private Finance Initiative (PFI) schemes have been included in MRP calculations. Appropriateness includes an on going consideration of asset lives.

The policy change to historic supported borrowing was introduced in 2016-17. Prior to this, MRP for capital expenditure pre 1 April 2008 was charged at 4% on a reducing balance basis. At this time the change to the policy was not applied backwards to 2008.

Following an MRP review, two changes have been approved to the policy. These are:

- To apply the 2% straight line method on its historic supported borrowing back to 2008-09 from 2017/18.
- The future charge for PFI schools from 2018/19 onwards being calculated using asset lives.

## 2.4 The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans.
- How these plans are being financed.
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow.
- Compliance with the limits in place for borrowing activity.

### 2.4.1. Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

Capital Expenditure by Service	2018/19 Original Estimate £m	Current Position 31 August 2018 £m	2018/19 Revised Estimate £m
Total capital expenditure	£176m	£27m	151m

### 2.4.2 Changes to the Financing of the Capital Programme

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

Capital Expenditure	2018/19 Original Estimate £m	2018/19 Revised Estimate £m
<b>Total capital expenditure</b>	£176m	£151m
<b>Financed by:</b>		
Capital receipts	£8m	£4m
Capital grants	£61m	£70m
Capital reserves	£0m	£1m
Revenue	£3m	£1m
Total financing	£72m	£76m
<b>Borrowing requirement</b>	<b>£104m</b>	<b>£75m</b>

Projected changes to the Capital Programme have resulted in a reduced new borrowing requirement of £29m.

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

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It is essentially a measure of the Council's indebtedness and so the underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The table also shows the expected debt position over the period, which is termed the Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed.

	<b>2018/19 Original Estimate £m</b>	<b>2018/19 Revised Estimate £m</b>
<b>Prudential Indicator – Capital Financing Requirement</b>		
Total CFR	£745m	£740m
Net movement in CFR		-£5m
<b>Prudential Indicator – the Operational Boundary for external debt</b>		
Borrowing	£400m	£363m
Other long term liabilities	£200m	£178m
<b>Total debt (year end position)</b>	<b>£600m</b>	<b>£541m</b>

### 2.4.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

The Assistant Director of Finance and Procurement reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

	<b>2018/19 Original Estimate £m</b>	<b>Current Position 31 August £m</b>	<b>2018/19 Revised Estimate £m</b>
Borrowing	£417m	£313m	£363m
Other long term liabilities	£174m	£178m	£178m
<b>Total debt</b>	<b>£591m</b>	<b>£491m</b>	<b>£541m</b>
<b>CFR (year end position)</b>	<b>£745m</b>		<b>£740m</b>

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

<b>Authorised limit for external debt</b>	<b>2018/19 Original Indicator £m</b>	<b>2018/19 Revised Estimate £m</b>
Borrowing	£420m	£363m
Other long term liabilities	£220m	£178m
<b>Total</b>	<b>£640m</b>	<b>£541m</b>

### 2.4.5 Borrowing

The Council's capital financing requirement (CFR) for 2018/19 is expected to be slightly below the original forecast of £745m; due to changes in the profiling of spend. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council currently has borrowings of £491m and has utilised cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

The current context, though, is that the Council's cash balances are reducing and there is a future draw on cash from the Capital Investment Plan. Based on the revised estimate for capital expenditure current projections are that the Council will need to borrow an additional £50m this year. Cash balances and capital spend will be closely monitored and projected forward. If it is felt that cash balances are getting too low or likely to be too low in the future, borrowing will be undertaken in appropriate tranches. In deciding the appropriate tranches of borrowing, caution will be exercised in projecting forward capital spend.

£9.4m of loans have matured in May and August 2018. However it is anticipated that borrowing will be undertaken during this financial year to finance commitments in the capital plan.

### 2.4.6 Debt Rescheduling

Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

## **2.5 Investment Portfolio 2018/19**

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As shown by forecasts in section 2.2, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.75% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

The Council held £37m of investments as at 31<sup>st</sup> August 2018 (£35m at 31 March 2018) and the investment portfolio yield for the first 5 months of the year is 0.66% against a benchmark of LBID one week of 0.43%. £4.9m in Euro's is also held in our Euro account in connection with the Waste Disposal Contract.

The Assistant Director of Procurement and Finance confirms that the approved limits within the Annual Investment Strategy were not breached during the first 5 months of 2018/19.

The Council's budgeted investment performance for the year to date is expected to be below budget.

### **Investment Counterparty criteria**

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

## **2.6 School Bank Balances**

Bradford schools have their own individual bank accounts spread across the four main UK Banks. At 31 March 2018 the overall bank balances with Lloyds was £17.54m, Barclays £4.89m, HSBC £1.65m and Nat West £1.61m.

At the last Treasury report the issue of the UK banks going through legislative changes put in place by the government aimed at strengthening the financial system was raised. One of these reforms is to separate the retail banking (ringfenced bank) from investment banking (unringfenced). All of the four major banks have had to go through this process.

The school balances will be in the retail or ringfenced part of the bank for Lloyds, Nat West and HSBC but not for Barclays.

This raises the following issues.

- i) The credit rating for the Barclays unringfenced part of the bank is lower than for the ring fenced bank.
- ii) If the credit rating was to reduce in the future it could be below the Council's credit limit.

## **Schools converting to Academies**

Of the schools with Barclays, 8 out of 32 are expected to convert to academies during 2018-19 (these schools hold balances of £1.18m). We expect further conversions on an ongoing basis and for cash balances held by schools in their bank accounts to steadily reduce as a result. Once converted to academies their bank balances no longer count towards the Council Treasury limits.

2.6.1 With the above changes in status for the schools and the reduction in school balances, it is proposed that the school balances continue to have a temporary exemption from the Treasury Policy until the main academy conversion process has been finished.

## **3. Other considerations**

3.1 None

## **4. Financial and Resources Appraisal**

4.1 The financial implications are set out in section 2 of this report

## **5. Risk Management and Governance Issues**

5.1 The principal risks associated with treasury management are:

Risk: Loss of investments as a result of failure of counterparties.

Mitigation: Limiting the types of investment instruments used, setting lending criteria for counterparties, and limiting the extent of exposure to individual counterparties.

Risk: That the council will commit too much of its investments in fixed term investments and might have to recall investments prematurely resulting in possible additional costs or new borrowing (Liquidity risk).

Mitigation: Ensuring that a minimum proportion of investments are held in short term investments for cashflow purposes.

Risk: Increase in the net financing costs of the Council due to borrowing at high rates of interest.

Mitigation: Planning and undertaking borrowing and lending in light of assessments of future interest rate movements, and by undertaking mostly long term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs).

Risk: Associated with cash management, legal requirements and fraud.

Mitigation: These risks are managed through:

- i) Treasury Management Practices covering all aspects of Treasury management procedures including cashflow forecasting, documentation, monitoring, reporting and division of duties.
- ii) All Treasury management procedures and transactions are subject to inspection by internal and external auditors.

- iii) The council also employs external financial advisors to provide information on market trends, credit rating alerts, lending criteria advice and investment opportunities.

## **6. Legal Appraisal**

6.1 Any relevant legal considerations are set out in the report

## **7. Other Implications**

7.1 Equality & Diversity – no direct implications

7.2 Sustainability implications – no direct implications

7.3 Green house Gas Emissions Impact – no direct implications

7.4 Community safety implications – no direct implications

7.5 Human Rights Act – no direct implications

7.6 Trade Unions – no direct implications

7.7 Ward Implications – no direct implications

7.8 Implication for Corporate Parenting – no direct implications

7.9 Issues arising from Privacy Impact Assessment– no direct implications

**8. Not for publications documents – none**

## **9. Options**

9.1 None

## **10. Recommendations**

10.1. That the details in section 2.6.1 be noted by Governance and passed to the full council meeting on 16 October 2018 for adoption.

## **11. Appendices**

Appendix 1 Prudential and Treasury Indicators as at 31<sup>st</sup> August 2018

## **12. Background Documents**

Treasury Management Schedules

Treasury Management Practices

Treasury Policy

**APPENDIX 1: Prudential and Treasury Indicators as at 31<sup>st</sup> August 2018**

<b>Treasury Indicators</b>	<b>2018/18 Budget £m</b>	<b>(Apr - Aug) Actual £m</b>
Authorised limit for external debt	£640m	£640m
Operational boundary for external debt	£600m	£600m
Gross external debt	£591m	£491m
Upper limit for principal sums invested over 365 days	£20m	£0m

<b>Maturity structure of fixed rate borrowing -</b>	<b>Upper Limit</b>	<b>(Apr-March) Actual</b>
Under 12 months	20%	2%
12 months to 2 years	20%	4%
2 years to 5 years	50%	7%
5 years to 10 years	75%	18%
10 years and above	90%	69%

<b>Prudential Indicators</b>	<b>2018/19 Budget £m</b>	<b>(Apr - Aug) Actual £m</b>
Capital expenditure (Revised Budget)	£151m	£27m
Capital Financing Requirement (CFR)	£745m	£740m
Ratio of financing costs to net revenue stream	16%	16%

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## Report of the Director of Health and Wellbeing to the meeting of Full Council to be held on Tuesday 16 October 2018

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**Subject: Food Safety in the Bradford District**

**Summary statement:** The Council is required by the Food Standards Agency to have a documented and approved Food Safety Service Plan in place. This report is brought to full Council to seek approval for that plan.

---

Bev Maybury  
Director of Health and Wellbeing

**Portfolio:**  
**Health and Wellbeing**

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**Overview & Scrutiny Area:**  
**Regeneration and Environment**

## **1. SUMMARY**

The Council is required by the Food Standards Agency to have a documented and approved Food Safety Service Plan in place. This report is brought to Full Council to seek approval for that plan.

The Service Plan sets out the measures the Council will implement to safeguard food and drink which is produced, prepared or sold within the district. The plan reflects the work required of food authorities by the Food Standards Agency (FSA) in its national Food Law Code of Practice and guidance documents.

The Service Plan is a document that:

- identifies how these services fit in with the Corporate Priorities;
- details the demands on the service;
- gives information about the services provided;
- the means by which these services will be provided;
- the resources available to deliver these services;
- details the risk based programme of work for the year ahead;
- the means by which the service will achieve any relevant performance standards/targets;
- identifies potential risk to the service and where it may fall short of statutory requirements
- a review of performance in order to address any variance from meeting the requirements of the service plan.

## **2. BACKGROUND**

2.1 Food Safety is one element of the Councils Environmental Health Service (EHS). The Food Safety Team (FST) carry out a programme of inspections, sampling, advice, education and where necessary enforcement work which is delivered to tackle food safety issues. This is a statutory obligation placed on the Council which is monitored by the Food Standards Agency (FSA).

2.2 One of the requirements placed on the Council is to have an approved documented service plan in place which sets out how the Council intends to meet its statutory obligations. The format of the plan is prescribed by the FSA. The plan is contained in appendix 1.

2.3 As part of the policy framework the Food Service Plan does have to go through the process of being approved at Full Council.

## **3. OTHER CONSIDERATIONS**

There are no other matters for consideration at this time.

## **4. FINANCIAL & RESOURCE APPRAISAL**

The service plan, as set out, has been drafted to be accommodated within existing resources.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

There are no significant risks arising out of the implementation of the proposed recommendations.

## **6. LEGAL APPRAISAL**

The functions carried out by the Food Safety Team as identified within the Food Safety Service Plan are statutory functions required under the provisions of various statutes including the Food Safety Act 1990 and associated regulations.

## **7. OTHER IMPLICATIONS**

None

### **7.1 EQUALITY & DIVERSITY**

The inspection programme and Food Hygiene Rating Scheme (FHRS) follows a strict Code of Practice and brand standard and as such it is applied equally to all businesses.

### **7.2 SUSTAINABILITY IMPLICATIONS**

The climate predictions for Yorkshire & Humber describe higher than average summer temperatures and above average winter rainfall. The impact in terms of public health will likely result in increased risks from heat and flooding. There will be a role for local authorities in increasing public awareness of how to cope during a heat wave. Food hygiene will be a key aspect of awareness raising and advice for businesses and households.

The Food Service Plan and Food Safety & Animal Health work actively supports the priorities for the District and contributes to personal, community and District well-being, prosperity and resilience, including avoiding significant adverse incidents and events. The Council investment of public funds and resources in this area, working with citizens, communities, business and other partners can be seen as fundamental to such essential areas of a healthy and vibrant society.

Promotion of the FHRS, undertaking food hygiene inspections and early interventions leads to wider legal compliance and cost avoidance by businesses in the District.

### **7.3 GREENHOUSE GAS EMISSIONS IMPACTS**

Greenhouse gas impacts would be from office accommodation and transport i.e.

energy and fuel consumption. This will be directly, through heat and power in Council buildings or indirectly, via the combustion of fuel in officer's vehicles.

There is a programme of energy efficiency improvements aimed at reducing emissions from corporate buildings managed by the Council's Environment and Climate Change Unit. Currently site visits are carried out in private vehicles and are planned to minimise journeys. Officers maximise flexibility by working flexibly from home, offices and touch down points.

The Food Safety Team has direct contact with food businesses, faced with the costs and risks associated with climate change. Food businesses are burdened with energy bills associated with heating and chilling of food and as such stand to benefit from Council recommendations that will improve energy efficiency.

#### **7.4 COMMUNITY SAFETY IMPLICATIONS**

The regular visits by officers and advice given about waste storage and disposal at the site contributes to a feeling of safety within the District.

#### **7.5 HUMAN RIGHTS ACT**

There are no Human Rights Act implications.

#### **7.6 TRADE UNION**

There are no Trade Union implications

#### **7.7 WARD IMPLICATIONS**

The inspection programme, FHRS rating scheme and service plan apply equally across all wards within the District.

#### **7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)**

Not Applicable

#### **7.9 IMPLICATIONS FOR CORPORATE PARENTING**

The inspection programme will ensure that care homes etc are inspected and comply with relevant legislation.

#### **7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT**

Not applicable.

**8. NOT FOR PUBLICATION DOCUMENTS**

None

**9. OPTIONS**

Not Applicable

**10. RECOMMENDATIONS**

10.1. It is recommended that the Council approve the Food Safety Service plan.

.

**11. APPENDICES**

Appendix 1 - The City of Bradford MDC Food Safety Service Plan 2018/19

## **Appendix 1**

**Department of Health and Wellbeing**

# **FOOD SAFETY SERVICE PLAN 2018 / 2019**

**FOOD SAFETY SERVICE PLAN  
2018/2019**

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## Introduction

This service plan covers the food safety and animal health work of the Council's Environmental Health service for 2018/9. The Food Standards Agency (FSA) requires each local authority to produce an annual plan that sets out what measures we will take to safeguard food safety and to review our achievement of the targets we set last year.

## Section 1 - Service Aims and Objectives

### **1.1 Aims and Objectives**

Our aims are:-

- 1) To ensure that all food produced, prepared and sold in the Bradford District is safe to eat.
- 2) To increase the awareness of food safety amongst the residents of the Bradford District.
- 3) To support the role of Public Health England in relation to communicable disease control within the city.
- 4) To assist in the delivery of the relevant outcomes within the Public Health Outcomes framework.

To achieve this we will operate a system of inspection, sampling, advice and other initiatives to ensure safety in the production and sale of food.

Using these methods and through other promotional activities and partnership work we aim to ensure the safety of food and thereby contribute to the health and well-being of the whole population. These activities include;

- To deliver an annual programme of food hygiene interventions, this includes inspections, audits, and alternative intervention strategies.
- Promote best practice in food production and sale in Bradford through the national food hygiene rating scheme (FHRS).
- Provide support and advice to local businesses, so they can comply with legal requirements and best practice.
- Improving food safety right through the food chain including improving hygiene on the farm.
- Publicise food safety issues, by working with partners, through a number of activities as part of local and national campaigns.
- Act as Primary Authority for our partner businesses and deal with enquiries referred on by other authorities and agencies.
- Investigate food poisoning notifications and outbreaks in association with the Consultant for Communicable Disease Control (CCDC), based within Public Health England (PHE).
- Investigate complaints about food and food premises.
- Implement an annual sampling programme to include participation in national and regional sampling surveys
- Approve and register special high risk food premises as required by law.
- Enforce food legislation and take proportionate action to secure compliance.
- Take prompt and effective action in response to food alerts and other threats to food safety in the Bradford District.
- Provide training and development opportunities for staff to ensure they are competent, professional and fair.

## **1.2 Links to Corporate Objectives and Plans**

### **Corporate priorities 2018/19**

#### ***Better skills, more good jobs and a growing economy***

The team's involvement in primary authority partnerships and 1:1 business coaching helps to support local businesses. Participation in the national food hygiene rating scheme also allows the promotion of food businesses with good hygiene ratings. Our work ensures a level playing field thus supporting legitimate business to compete and expand. We are currently working in partnership with the Office for Product Safety and Standards (formerly Regulatory Delivery Office) part of Department for Business, Energy & Industrial Strategy on an initiative with businesses registering for the first time to enable them to get things right at the offset. We are also involved with the North East Region Better Business for All group that links in with the Council's Growth Hub and the Leeds City Region Enterprise Partnership (LEP).

#### ***Good Schools and a great start for all our children***

Participation in Positive Lifestyle Centre sessions based at Bradford City Football Club helps to deliver key messages on food safety in the home and hand washing to school children. Work undertaken for food safety week also targets relevant groups with various initiatives.

#### ***Better health and better lives***

We work with Public Health looking at various initiatives for example to combat obesity and encourage healthy eating. Work undertaken for food safety week uses key messages to members of the public to produce safe food in the home. We liaise regularly with Public Health England and review our service in relation to communicable disease control to ensure that we get outcomes for the work we do.

#### ***Safe, clean and active communities***

We link in with the Neighbourhood's Enforcement Team on refuse control and on all of our inspections we assess waste food storage facilities and give advice regarding recycling of waste oil. We take part in joint initiatives with the police and other agencies to identify any links with child sex exploitation / criminal activity in commercial businesses.

#### ***A well run council, using all our resources to deliver our priorities***

We constantly review our service to identify improvements to service delivery and in addition we regularly monitor performance against service standards and targets set both internally and by external organisations. We work in partnership with other organisations to produce an effective and efficient service and in a way which enables us to use our resources wisely for example project work with the Regulatory Delivery Office. We are also working with the FSA as part of their regulatory review and are involved in a primary authority project and other initiatives.

## **Section 2 – Background**

### **2.1 Profile of the Authority**

The latest population estimate for Bradford District is 534,279 (Office for National Statistics ONS June 2016) making it the fourth largest local authority in England in terms of population. Bradford has the third largest proportion of Black and Minority Ethnic people outside of the London

Boroughs and also has a relatively young population structure. The District has a high proportion of non-white residents at 25.89%. Within the ethnic minority population, the proportion of Asian or British Asians is 21.09% which is significantly higher than the national average and twice as much as the West Yorkshire average. The latest figures from ONS state that the largest proportion of the districts population (63.9%) identifies themselves as white British. The district has the largest proportion of people of Pakistani ethnic origin (20.3%) in England. By 2031 the population is expected to rise to 655,100 an increase of 27.8% since 2009. Population projections suggest that the largest growth will be within the Asian population. However with the white population expected to remain fairly static, it will continue to account for more than half the population in 2031. The district covers 141 square miles comprising the City of Bradford and four towns. It has a mix of densely populated urban centres with more rural and semi-rural areas to the west and north, making up 2/3 of the district but the same proportion of the population live in urban areas, mostly in the city.

(Source: The State of The District – Bradford District’s Intelligence & Evidence Base Set. 2010))

## **2.2 Organisational Structure**

The Food Safety function is located in the Environmental Health Service of the Council which is incorporated in the Department of Health and Wellbeing. An organisational structure for the department is attached at **Appendix 1**.

The Food Standards Service is delivered on a county-wide basis by West Yorkshire Joint Services (Trading Standards - WYTS). Close links exist with this service.

## **2.3 Scope of the Food Service**

The Food Safety Team carries out all of the food safety, public health and animal health duties that the Authority is legally required to discharge.

The Food Safety Team comprises Environmental Health Officers, technical staff, and an Animal Health Officer.

The team undertakes statutory programmed food hygiene inspections. Part of this includes identifying any food which has been imported from a third country.

An annual food sampling programme is carried out to ensure microbiological standards are met. This includes participation in national and regionally co-ordinated surveys.

Health and safety initiatives are also carried out in food premises whilst officers are on site.

Food standards issues are referred to WYTS.

The Food Safety Team investigates reported outbreaks and individual notifications of food poisoning and other infectious diseases.

Officers inspect farms for primary food production, animal health issues and investigate matters relating to the safe disposal of animal by-products.

All officers are now based at one single point of access at Britannia House, Bradford, albeit working remotely and flexibly. The service can be accessed via the Council’s Contact Centre or by using the online contact forms on the Bradford Council website. Core operating hours are 9.00am to 5.00pm; however officers frequently work out of normal operating hours to visit premises when they are open.

Additionally the FSA has a web based on line reporting system and they redirect enquiries from members of the public to the relevant LA.

Emergency out of hours cover is provided throughout the year by officers who are contactable through the EH Service emergency call out team.

## 2.4 Demands on the Food Service

The following tables detail the breakdown and profiles of food businesses in the Bradford District.

**Table1. Categories of Food Businesses**

<b>FSA Category</b>	<b>Number</b>
Primary producers	4 (601 farms)
Manufacturers and packers	117
Importers/Exporters	6
Distributors / transporters	98
Supermarket/ hypermarket	96
Small retailer	771
Retailer – other	193
Restaurant/café/canteen	721
Hotel/guest House	56
Pub/club	474
Take-away	709
Caring premises	633
School /college	239
Mobile Food Unit	126
Restaurants / caterers – other	234
<b>Total</b>	<b>4477 (5078)</b>

To deliver an equitable service in our multi-cultural district, we signpost businesses to information on food hygiene training and advice. There is a high turnover in the restaurant and catering sector of both food businesses and food business operators. This places a strain on the team in terms of premises inspection as an inspection with a new owner takes longer and involves a lot of help and support. In 2017 / 2018 we identified approximately 500 new business owners at the inspection.

The district has a wide variety of businesses including high risk sectors such as importers, manufactures and packers. There are 30 butchers in the district selling raw and ready to eat foods, including the production of cooked meats and pies.

There are 60 premises that manufacture or process products of animal origin that require statutory approval. This also includes 7 on farm pasteurising dairies and we have two specifically trained officers to deal with these.

There are 13 approved cold stores in the district, in the past these have been perceived to be low risk food hygiene premises but the horse meat scandal of 2013 highlighted the need to reconsider the risk associated with this type of business and food fraud continues to be a national issue.

There are 4 primary producers in the District for example egg producers and an additional 601 farms with livestock. The livestock farms are inspected by the Animal Health Officer and are not risk rated in the same way that food premises are.

As well as rated premises, we receive on average 250 registrations from new businesses every year, which require inspection and risk rating. In addition, we have engaged with Neighbourhood Services to provide intelligence about closed and newly opened businesses in the District.

**Table 2. Rated premises profile by Risk Category**

Risk category	No. of premises 1/4/18	Inspection Frequency
A (highest risk)	14	Every 6 months
B	182	Every 12 months
C	875	Every 18 months
D	1503	Every 2 years
E (lowest risk)	1755	Initial inspection followed by alternative intervention
unrated	146	Within 28 days of registration

## 2.5 Enforcement Policy

The Environmental Health Service has published an Enforcement Policy in line with the National Compliance Code, statutory codes of practice and relevant guidelines issued by central government departments and other bodies. Work carried out by the team is in accordance with that policy.

The table below details the enforcement action undertaken during 2017/2018.

Enforcement Action	Number
Voluntary Closure	11
Emergency prohibition order	0
Prohibited person	0
Simple caution	5
Improvement notices	27
Prosecutions	2
Seizure of Food	0
Remedial Action Notice	1

## Section 3 - Service Delivery

### 3.1 Food Premises Interventions

The Food Safety Intervention Programme undertaken by the Council operates in accordance with the Food Standards Agency's (FSA) statutory Local Authority Framework Agreement and Food Safety Code of Practice (CoP). The CoP sets out a range of interventions that local authorities may adopt in addition to food safety inspections. These are official controls that include inspections, audits, sampling, monitoring and verification; non-official controls include advice, coaching, education and training, and questionnaires.

Premises are risk rated on inspection using the defined criteria in the CoP and given a risk rating category A to E, A being the highest risk category. This risk rating determines the frequency of inspection, category A premises are inspected every 6 months, category B every 12 months, C premises every 18 months and D premises every 2 years. Priority is given to the inspection of high risk and approved premises over low risk businesses. This means priority is given to the inspection of highest risk premises, (categories A-C). Low risk businesses (D-E) that fall within the scope of the FHRS website, will however, receive an inspection when resources facilitate

this.

A Food intervention programme was developed by the West Yorkshire Food Officers Group and ratified by the west Yorkshire Chief Officers Group, see **Appendix 2**. This aimed to provide the best use of resources and seek a consistent approach across West Yorkshire.

The FSA require local authorities to include inspection of imported food during routine food hygiene inspections. This activity forms part of the overall inspection process.

Where it is the local authority's responsibility to enforce health and safety in food premises, officers from the food safety team may undertake health and safety interventions in food premises.

### 3.2 Performance Data for the Service

The performance targets for 2018/19 and outcomes for 2017/18 are detailed in **Appendix 3**.

### 3.3 Food Hygiene Rating Scheme (FHRS)

The FHRS provides consumers with information on food hygiene standards to help them to choose where to eat out or shop for food. Food outlets, such as restaurants, takeaways, pubs and supermarkets, are inspected by the food safety team to check their hygiene standards meet legal requirements. The standards found at these inspections are rated on a scale ranging from '0' at the bottom to a top rating of '5'. The aim is to encourage businesses to improve standards and reduce the incidence of food borne illness. Since the adoption of the scheme we have seen an increase in the number of premises achieving a rating of 3 and above. However we fall short of the FSA target of 96% of premises having a rating of 3 or above.

**Table 3. % Distribution of rated premises under the FHRS**

FHRS	1/4/2013 %	1/4/2014 %	1/4/2015 %	1/4/2016 %	1/4/2017 %	1/4/2018%
5	58.8	60.5	60.4	62.2	64.7	65.4
4	18	17.1	19.2	19.3	19.4	18.0
3	9.1	9.1	9.9	9.9	9.4	9.6
2	3.5	3.9	3.9	3.8	3.5	3.8
1	9.3	8.3	6.3	4.6	3.0	3.0
0	1.3	1.0	0.2	0.2	0.0	0.2
3 or better	85.9	86.8	89.6	91.4	93.5	93.0

### 3.4 Food Premises Complaints

The Food Safety Service investigates complaints regarding poor hygiene in premises, and complaints about unfit food and foreign bodies in food. The utility companies also notify us of supply cut offs that usually require an urgent response. It also responds to requests for advice from businesses and the public.

Food complaints and service requests are dealt with in accordance with actual risk. Where the complaint presents no risk to health, complainants are encouraged to contact the vendor or manufacturer directly to resolve the matter. Where possible we also direct businesses to self-help sources of information such as the FSA website.

### **3.5 Primary Authority**

The Service supports the Primary Authority Partnership (PAP) scheme which is run by Regulatory Delivery. This is a formal partnership arrangement between a local authority and a national food business based in the District. The Local Authority becomes the national point of contact to advise the business on food / health and safety matters. We have a PAP with:

- Caterleisure
- National Federation of Fish Friers Association

All work carried out as part of the PAP arrangement is funded by the business with whom the partnership has been entered into.

Bradford is also the “originating authority” for several large manufacturers supplying food nationally.

### **3.6 Advice to Business**

We provide help and advice to new and existing businesses during inspections or following an enquiry. Leaflets and documents for use in running a safe food business are provided either on request or as part of a follow up to an inspection.

We are taking part in a project led by Regulatory Delivery looking at the style and content of advice letters to new businesses to ensure that they get it right first time and to help the sustainability of new businesses.

Information is also available on the Bradford Council website which also provides links to other sites.

We provide 1:1 coaching for a fee on the Safer Food Better Business pack for those businesses that are struggling to comply with Article 5 of Regulation (EC) No. 852/2004, which requires businesses to have a documented food safety management system in place. We also offer a fee paying service for new businesses to help them get things right from the start.

We have for many years produced a business focused newsletter ‘Feeders Digest’ that includes mainly food safety information but also covers health and safety and trading standards articles. This is sent out to all registered food businesses in the District, however due to funding cuts by the council the last newsletter was issued in March 2018. From April 2018 we will use the Council’s ‘Stay Connected’ system on the council website and will be sending out regular emails to those who subscribe to ‘Food Advice for Businesses’. The new system will enable us to send out updates on a more frequent basis and in a timely manner.

### **3.7 Food and Environmental Sampling**

An effective food sampling programme is an important part of a well-balanced food enforcement service. Our microbiological food sampling is undertaken in accordance with a sampling programme produced annually and in response to food complaints/investigations. The sampling programme includes taking part in national surveys determined by national co-ordinating bodies. It also includes a commitment to allocate 10% of the Authorities annual credit allocation to be used to take samples of food which have been imported from third countries, as required by the Food Standards Agency.

Environmental sampling is also considered an essential part of the service. Environmental swabs are taken in businesses to assess both the cleanliness and the safety of the food preparation environment. This usually includes taking swabs of food and hand contact surfaces.

The Public Health England Food Water and Environmental Microbiology Laboratory, York

allocates local authorities with an annual sampling “credit” based on population size and historical sampling patterns. We are required to carefully manage this to ensure we do not “overspend” our sampling allowance. Likewise if we do not use our credit allocation then this could be reduced by the laboratory. **Appendix 4** provides a full report on the sampling programme. **Appendix 5**: Food Sampling Policy.

### **3.8 Control of Infectious Disease**

The Food Safety Team works closely with Public Health England and liaises with the CCDC in the investigation of outbreaks and individual cases of food-borne disease. The ‘Protocol for investigation and management of sporadic cases and outbreaks’ details the West Yorkshire authorities policies and method of investigation of notified infectious diseases.

**Appendix 6** outlines the demands on this part of the service for 2017/2018

### **3.9 Animal Health & Welfare**

The Animal Health Officer within the Food Safety team undertakes primary production inspections at farms and works in liaison with Defra, RSPCA, veterinary surgeons and other local authorities. Improving hygiene on the farm is a key part of the FSA’s farm to fork approach.

Inspection frequencies are risk based and make full use of available evidence from a variety of sources. Membership of a recognised farm assurance scheme will be used as positive evidence, resulting in less frequent inspections. Recognised schemes are considered to meet the requirements of the legislation in a clear and credible way; for example, scheme members will already undergo regular inspections by the certifying body used by the scheme.

### **3.10 Food Safety Incidents**

The service responds to food alerts notified by the FSA in accordance with the Code of Practice and our Procedural document. We always deal with them as detailed by the FSA. The reactive nature of this activity makes it difficult to estimate the resource necessary.

### **3.11 Liaison with Other Organisations**

The service is committed to liaising with other local authorities and associated organisations to ensure consistency and fairness. This is achieved by being actively involved in a number of groups, including

- West Yorkshire Principal Food Officers Group (includes Trading Standards) WYPFOG
- West Yorkshire Gastro Intestinal Group
- West Yorkshire Animal Health Liaison Group
- Yorkshire and Humberside Animal Health Liaison Group

These groups have produced standard inspection forms that are used across West Yorkshire and also undertake inter authority audits to ensure consistency of approach.

We also work closely with Public Health and Public Health England. In addition we are currently involved in an initiative for new businesses working with Regulatory Delivery.

### **3.12 Food Safety Promotion**

The service takes part in a variety of food safety promotion activities in order to raise awareness

of food safety in the home and in businesses. These include:

- Support for 'Food Safety Week'
- Email updates via the Council's Stay Connected email system to distribute information that matters to food businesses and to consumers.
- Maintenance of the Food Safety website.
- Participation in Positive Lifestyle Centre sessions based at Bradford City Football Club to deliver key messages on food safety in the home and hand washing to school children.
- Publication of articles in the local press and community publications.
- Publishing the food hygiene ratings of food businesses on the national website.
- Presentations and or attendance at community events and schools upon request.
- 1:1 coaching on the SFBB pack (fee applicable)
- Fee paying service for businesses seeking bespoke advice
- Joint training sessions with WYTS to promote good food hygiene and the Good Food Award
- Identification of opportunities for engaging in the Public Health Agenda and nutrition.

**Appendix 7** details other work that we had planned for 2017/2018 and the priorities for 2018/19.

## **Section 4 – Resources**

### **4.1 Staffing Allocation**

The service has seen a reduction of staff due to non-replacement of staff that have left and reductions in hours and retirements. As a result the number of full time equivalent officers engaged in food safety and communicable disease control for 2017/18 was 11.4. However we had 3 vacancies and had an officer on maternity leave for much of 2017. We have recently recruited to those posts, except one, but due to the unavailability of fully qualified officers have taken on 3 trainee EHO's who have completed the degree but have yet to gain full registration with the Environmental Health Officers Registration Board and so will have restrictions on the range of duties that they can undertake. We use contractors to undertake some low risk food hygiene inspections using the money from vacant posts that we hold. To manage the delivery of the service as required by statute increasingly alternative interventions are being utilised and revisits are only carried out when serious issues have been identified. The national average for 2017 was one officer per 312 premises; on this basis we would require an additional 4.0 officers.

### **4.2 Staff Development Plan**

Training and development needs are assessed on a yearly basis through staff appraisals. Training needs are met by:-

- Courses to achieve specific qualifications.
- Attendance at technical seminars.
- In-house training on specific issues.
- Cascade training by staff that have attended relevant courses.
- Accompanied visits.
- Peer Review
- On-line training provided by the Food Standards Agency.

The FSA issued a revised Food Law Code of Practice on 7 April 2015 which introduced new

requirements for officer competency and continual professional development (CPD). Officers are now required to undertake 20 CPD hours which has increased from 10. The service has made a commitment to ensure it provides 10 CPD hours in core training requirements for all officers.

The competency of all food officers has been reviewed against the competency requirements in the CoP and their authorisations.

The training programme for 2018 is attached in **Appendix 8**.

## **Section 5 - Quality Assessment**

The service has systems to maintain performance and quality. Reviews of performance are undertaken quarterly at managers meetings. Reports against the food plan enable monitoring of progress against the targets.

The Quality Management System (QMS) includes a series of procedural documents that state the minimum standards for our food safety enforcement activities. Work is monitored via peer review and random checks by the manager on inspection files. We also participate in national risk rating consistency exercises to ensure consistency in awarding the food hygiene rating to businesses.

Monthly customer surveys of our re-active and pro-active services are used to review and improve our standards of service delivery.

## **Section 6 - Review of Work**

### **6.1 Review against Service Plan**

The Environmental Health Management Team monitors performance on a quarterly basis. The information is also made available to the Senior Management Team and the Assistant Director. A review against the plan is undertaken at manager's one-to-one meetings with the Principal Manager.

In 2017/18 we carried out 2621 interventions, which were a mix of inspections, sampling and other visits to food premises. 100% of our high risk category A and B premises that needed an inspection received an inspection. We also achieved 98.93 % of the total interventions required.

We responded to 1408 service requests these include advisory requests from businesses, and complaints from members of the public, this is an 8.3% increase in number of requests received in the previous year.

5 businesses were issued with a simple caution.

Our sampling credit allocation for the year was 20,500 and we used 14950 credits of this taking a mixture of food, dairy, water and environmental samples. We underperformed on our sampling programme for the year due to other competing demands on the service.

We dealt with 6 outbreaks; 1 was associated with a wedding caterer and was a probable *Clostridium perfringens* outbreak which resulted in a simple caution for hygiene offences. Another outbreak associated with a buffet lunch was most likely viral. No cause was identified for the other 4 outbreaks; lack of cooperation from the original complainants in 3 of those was the main factor in not being able to attribute a cause.

At the end of 2017/18 our figure for all food establishments broadly compliant with food hygiene law dropped slightly from 93% to 91%. This is an area of work that has been identified in the 2018/19 work plan to focus on the premises with a food hygiene rating of 2 and below to improve the rating.

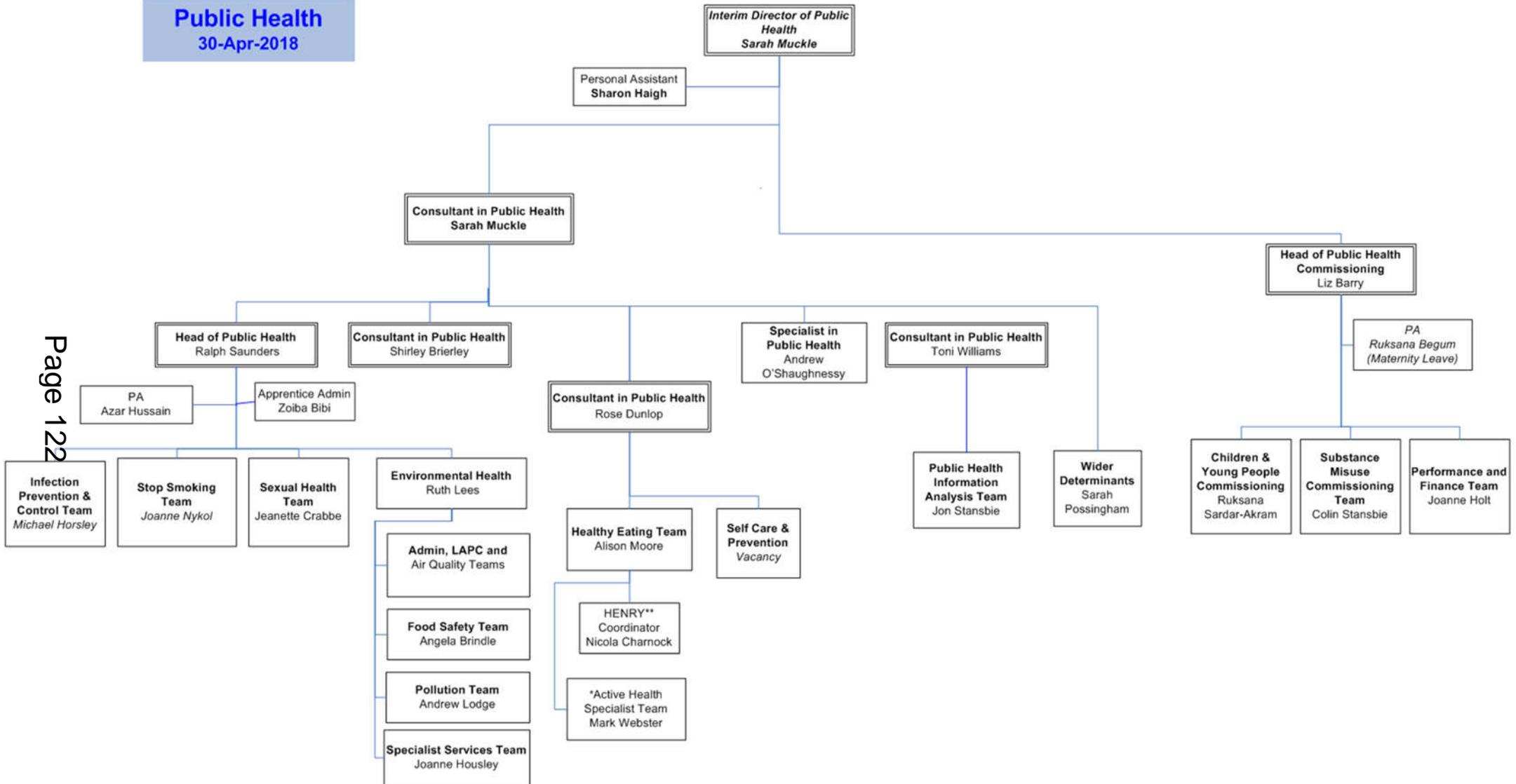
## **6.2 Variation from 2017/18 Plan**

Issues that have arisen that have placed extra demands on the service include:

- The FSA is currently undertaking a regulatory review of the way that the FSA and local authorities regulate food businesses referred to as the Regulating Our Future project (RoF). The new model will move away from a 'one size fits all' approach to regulation. We are participating in the consultation exercises and are taking part in a least two reviews of the way we work. The first is a trial assessing how new businesses react to different interventions in order to get things right at the offset. The second is looking at how primary authority partnerships can work with different approaches to regulatory interventions. It is expected that the new model will come fully into force from 2020 onwards. However BREXIT came about after RoF was proposed and has taken priority particularly with regards to sorting out for example import / export issues, and ensuring that their remains an effective and robust regulatory regime/ framework in place.
- The Environmental Health Department together with Wakefield EH Department and WYTS was tasked with the development of an Options Appraisal considering all approaches from enhanced collaboration up to and including a shared services model with a single management structure. This work involved data collection and attendance at a number of meetings. This has involved considerable resource from the EH management team in collecting data and attending meetings. All staff have also attended one of three workshop to discuss the proposals. It was ultimately determined that a shared service would not result in any savings and indeed that any potential merger would require significant outlay particularly in terms of IT systems.
- Allergens: We continue to work closely with WYTS to ensure that new allergen requirements that came into force 13 December 2014, requiring that all food businesses (e.g. restaurants, takeaways, bakeries and delicatessens) declare any of 14 identified allergenic ingredients which are used in non-prepacked or loose foods are being complied with. We also need to advise businesses on how to avoid cross- contamination of allergens in food preparation and have started to produce additional guidance for businesses to enable them to comply with this issue.

# APPENDIX 1 – Departmental Structure

**Public Health**  
30-Apr-2018



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## **APPENDIX 2 – Food Intervention Programme**

### **FOOD HYGIENE INTERVENTION PROGRAMME 2018/2019**

This document sets out the type of interventions to be applied within the premises for which we have enforcement responsibilities. The intervention programme is based upon;

- The Food Safety Code of Practice, which allows local authorities flexibility to introduce a mixture of interventions.
- Implementation of an intervention-based programme enabling the food safety service to reduce the level of burden on compliant businesses and focus more resources on those with poorer standards.
- Reduction in staff numbers
- A risk -based approach, aimed at directing greater resource to those food businesses that present the greatest risk.
- The implementation of the FHRS.

#### **Category A & B**

Inspection, Partial Inspection or Audit

#### **Category C**

**Fully compliant premises** (Hygiene: 5 or less; Structure: 5 or less; Confidence in management : 5 or less)

If achieved the FHRS 5 rating for 2 consecutive years: questionnaire to be sent.

If not achieved the above – follow system for broadly compliant.

**Broadly compliant premises** (Hygiene: 10 or less; Structure: 10 or less; Confidence in management: 10 or less)

Alternate between:

Inspection - Re-rate a business

And

An official control: e.g. Sampling visits – Do not re-rate

#### **Not broadly compliant**

Full Inspection

#### **Category D**

If the business does not have a FHRS rating, then the officer must undertake an inspection to rate the business.

Officers may then alternate between official controls and other interventions.

FHRS rating of 5 for 2 consecutive years – Alternative Enforcement Strategy questionnaire to be carried out.

#### **Category E**

If a Category E has not received a FHRS, then a visit must be made to the premises and an inspection carried out to rate the business.

Once rated, Category Es will receive a postal or telephone questionnaire. The business will be expected to return the questionnaire. Contingencies will be in place to

follow up on those businesses that have not responded. This will be documented but is likely to include either a visit, solely to complete the questionnaire or possibly a telephone call to complete the questionnaire.

### **Additional Premises Specific interventions**

#### **Butchers selling raw and ready to eat food**

All butchers, regardless of risk rating shall be subject to an official control in the form of an inspection (full/partial/audit).

#### **Approved Premises**

All premises requiring approval regardless of risk rating shall be subject to an official control in the form of an inspection (full/partial/audit).

#### **Childminders**

Childminders are required to register and are included in the inspection programme. However we are not required to visit. We would respond to requests for advice.

#### **New Premises**

All new premises shall receive an official control in the form of a full inspection to allow them to be accurately rated for entry into the Intervention Programme.

## Food hygiene scoring system

**Part 1: The potential hazard** - Three factors determine the potential hazard:

### A. Type of food and method of handling

Score	Guidance on the scoring system
40	Manufacturers of high-risk food, wholesalers and packers who re-wrap or re-pack high-risk foods. In this context, high-risk foods may be regarded as foods which support the growth of micro-organisms, and are ready to eat without further treatment that would destroy pathogenic micro organisms or their toxins.
30	Preparation, cooking or handling of open high-risk foods by caterers and retailers, except caterers that prepare typically less than 20 meals a day (see below).
10	Preparation, cooking or handling by small caterers of open high-risk foods but serve less than 20 meals on a single day ; Handling of pre-packed high-risk foods; Other wholesalers and distributors not included in the categories above; Manufacture or packing of foods other than high-risk; Establishments involved in the filleting, salting of fish for retail sale to final consumer.
5	Retail handling of foods other than high-risk, and other ambient shelf stable products. Any other businesses not included in the categories above.

Score:

### B. Method of processing

Establishments that undertake a specific method of processing (including those that extend the shelf life of the product) that has the potential to increase the risk to public health beyond that of the normal cooking or storage, should be given an additional score under this section. However, it may only be allocated once, i.e. the maximum score under this section is 20.

Score	Guidance on the scoring system
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20	<p>The overriding principle to assess is whether the process itself creates an increased risk and /or the intention is to increase the shelf life of the product by applying it.</p> <p>Below is a non-exhaustive list of processing types that should be allocated an additional score of 20. Authorised officers will need to make a judgement regarding additional processing types not listed below.</p> <ul style="list-style-type: none"> <li>• Canning or other aseptic packing of low-acid foods;</li> <li>• Vacuum packing;</li> <li>• Sous-vide cooking;</li> <li>• Manufacture of cook/chill food, i.e. cooked and prepared meals or foods which may be eaten cold or after reheating. (The simple reheating of cook-chill meals is excluded from the scope of this paragraph.);</li> <li>• Fermentation of meats e.g. to produce salamis and other fermented sausages;</li> <li>• Air drying e.g. dried hams, biltong, jerky;</li> <li>• Freeze drying;</li> <li>• Addition of salt and/ or other preserving agents;</li> <li>• The cooking and cooling of meat products prior to service e.g. production of hams by retailers, including butchers; This is not intended to be applied to simple catering operations where foods may often be pre prepared and subsequently re heated.</li> <li>• Establishments that manufacture, prepare, or serve high risk uncooked or lightly cooked ready to eat food of animal origin whose nature poses a residual microbiological food safety hazard. This is intended to include caterers/manufacturers producing foods such as steak tartare and other raw meat dishes, fish and meat carpaccio, types of sushi or sashimi, ceviche, and burgers less than thoroughly cooked.</li> </ul>
0	Any other case not included above.

Score:

**C. Consumers at risk**

This factor is intended to reflect the number of consumers likely to be at risk and the potential geographical extent of any incident if there is a failure of food hygiene and safety procedures.

Score	Guidance on the scoring system
15	Food businesses involved in either the manufacture, distribution, packing or wrapping operations of food which is distributed nationally or internationally.

10	Businesses serving a substantial number of customers, including a significant proportion from outside the local area, e.g. superstore, airport caterer, motorway service area caterer; Manufacturers not included in the category above.
5	Businesses, most of whose customers are likely to be living, staying or working in the local area, e.g. supermarket or shop, local convenience store or high street or local restaurant.
0	Businesses typically supplying less than 20 consumers each day.

Score:

### PLUS

An **additional** score of 22 (in addition to the score above) should be included for establishments involved in the production or service of food **intended specifically** for consumption by consumers which are likely to include a vulnerable risk group of more than 20 persons.

In this context, vulnerable risk groups are those that include people likely to be more susceptible to the effects of poor food hygiene such as those who are under 5 or over 65, people who are sick or immuno-compromised.

Score	Guidance on the scoring system
22	Production and/or service of high-risk foods in establishments where the ultimate consumers of the product produced include a vulnerable risk group of more than 20 persons.
0	Any other case not included above.

Score:

### Part 2: Level of (current) compliance

The food hygiene and safety procedures (including food handling practices and procedures, and temperature control), and the structure of the establishment (including cleanliness, layout, condition of structure, lighting, ventilation, facilities etc.), should be assessed separately using the scoring system below.

The score should reflect compliance observed during the inspection according to the guidance set out below.

In circumstances where the failure to comply involves both elements of the establishment's structure and procedures, this non-compliance should be reflected in the scores awarded for both the 'hygiene' and 'structural' factors.

Score	Guidance on the scoring system
25	Almost total non-compliance with statutory obligations.
20	General failure to satisfy statutory obligations – standards generally low.
15	Some major non-compliance with statutory obligations – more work required to prevent fall in standards.

10	Some non-compliance with statutory obligations and industry codes of recommended practice* that are not considered significant in terms of risk (but may become significant if not addressed). Standards are being maintained or improved.
5	Good standard of compliance with statutory obligations and industry codes of recommended practice* with only minor contraventions.
0	High standard of compliance with statutory obligations and industry codes of recommended practice*; conforms to accepted good practices in the trade.

\*where a relevant code/ industry guide has been published.

Score – hygiene:

Score – structural:

### Part 3: Confidence in management/control procedures

The Confidence in Management score should assess whether a business's food safety management/control procedures are appropriate, with the identification of the correct hazards and controls, whilst the assessment of the level of current compliance achieved as a result of practices being carried out should be considered as part of the compliance with food hygiene and safety procedures element in Part 2.

Where management has an effective food safety management system in place which is well understood by the workforce, they should achieve a good standard in Part 2, and consequently a low score for that risk factor.

Confidence in management is not meant to reconsider this aspect. It is to elicit a judgement on the likelihood of satisfactory compliance being maintained in the future. Assessment of "Management" may include two elements; corporate management (any company-wide systems and processes for food controls) and local management (implementation by local management of corporate systems and separate branch or "in store" systems and processes).

Where the establishment has a Primary Authority, the Primary Authority may provide guidance via an Inspection Plan to assist with scoring for Confidence in Management based on corporate management systems being properly implemented where this is the case. Officers should not attempt to reassess the corporate management element but should consider the score based upon the degree of local implementation by local management.

Officers should also reflect the level of reassurance provided by checks undertaken on the food safety management systems directly at an individual establishment via an independent third party as part of an assurance scheme which address applicable legislation.

The confidence in management / control procedures score is not solely about documented procedures and their implementation. Factors that will influence the officer's judgement include:

- the "track record" of the company, its willingness to act on previous advice and enforcement, and the complaint history;
- the attitude of the present management towards hygiene and food safety; and
- hygiene and food safety knowledge, including hazard analysis/HACCP and the control of critical points;

- satisfactory food safety management based procedures.

In determining ‘satisfactory’ in respect of HACCP based procedures, officers should consider, based on the principle of proportionality, the need for a permanent procedure or procedures based on HACCP principles<sup>27</sup>, i.e. commensurate with the nature and

<sup>27</sup>  
[The European Commission Notice 2016/C/278/01 - Guidance document on the implementation of procedures based on the HACCP principles, and on the facilitation of the implementation of the HACCP principles in certain food businesses](#)

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size of the food business. In some food businesses there are not critical control points and in some cases good hygiene practices can replace the monitoring of critical control points. The requirement for businesses to retain records also needs to be flexible in order to avoid undue burdens for very small businesses.

For small businesses which present only basic hygiene hazards, it may be sufficient that the business has in place good hygiene practices and understands and applies it i.e. meets the prerequisites. The requirement for records needs to be balanced with the nature and size of the business. Documentation and record keeping may not be necessary under the flexibility afforded by Article 5 of Regulation (EC) 852/2004.

Officers should consider guidance in relation to the application of Article 5 in order to make a judgement on whether the business requires documented food safety management procedures, and if so on the level of documentation required. The level of documentation will vary between businesses depending on the types and complexity of operations being undertaken and on the level of controls being implemented.

Score	Guidance on the scoring system
30	Poor track record of compliance. Little or no food safety knowledge and understanding. Little or no appreciation of hazards, risks or quality control. No food safety management procedures. Does not recognise or accept the need for food safety and hygiene controls.
20	Significantly varying record of compliance. Insufficient food safety knowledge and understanding. Poor appreciation of hazards and control measures. No food safety management procedures or unsatisfactory progress in terms of developing, documenting and implementing food safety management procedures, commensurate with type of business, since the last intervention rating. Some reluctance in recognising or accepting the need for food safety and hygiene control procedures.

Score	Guidance on the scoring system
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10	<p>Satisfactory record of compliance.  Access to relevant food safety advice source and/or Guides to Good Practice or assurance schemes commensurate with type of business.  Understanding of significant hazards and control measures in place.  Has implemented satisfactory food safety management procedures or is making satisfactory progress towards documented food safety management procedures, commensurate with type of food business.  Officers will need to ensure that a business is demonstrating it is actually 'making satisfactory progress' towards food safety management procedures. A score of 10 can be awarded for more than one intervention cycle if:</p> <ul style="list-style-type: none"> <li>• the previous non-compliances have been addressed but different non-compliances have arisen; <b>and</b></li> <li>• the overall risk has not increased.</li> </ul>
5	<p>Good record of compliance.  Food safety advice available in-house or access to, and use of, technical advice from a Primary or Home Authority, trade associations and/or from Guides to Good Practice or assurance scheme commensurate with type of business.  Effective management control of hazards.  Having effective self-checks with satisfactory documented food safety management procedures commensurate with type of business.  Audit by Competent Authority confirms general compliance with procedures with minor non-conformities not identified as critical to food safety.</p>
0	<p>Excellent record of compliance.  Food safety advice available in-house or access to, and use of, technical advice from a Primary Authority or Home Authority, trade associations and/or from Guides to Good Practice or assurance schemes commensurate with type of business  Food Business Operator/ Manager knowledgeable and competent.  Has effective self-checks with satisfactory documented food safety management procedures commensurate with type of business, and may have external audit processes in place.  Audit by Competent Authority confirms good compliance with food safety procedures.</p>

Score:

## PLUS

An **additional** score of 20 (in addition to the score above) should be included where there is a significant risk:

- of food being contaminated with *Clostridium botulinum* and the micro-organism surviving any processing and multiplying; or
- of ready-to-eat food being or becoming contaminated with micro-organisms or their toxins that are pathogenic to humans, e.g. *E.coli* O157 or other VTEC, *Salmonella* sp.; *Bacillus cereus*.

In this context, significant risk means the probability that an incident is likely to occur. The following matters should be considered when assessing this factor:

- the potential for contamination or cross-contamination by the specified micro-organisms;
- the likelihood of survival and growth of the specified micro-organisms;
- the existence of procedures based on HACCP principles and confidence in their implementation, including documentation and records of monitoring of controls;
- the extent and relevance of training undertaken by managers, supervisors and food handlers; and
- whether intervention by the Competent Authority is necessary to reduce the probability of an incident occurring.

The additional score must only be applied on a case-by-case basis, must not be applied generically to whole categories of food business establishments, and must be removed at the next inspection if the significant risk no longer exists.

The additional score must also be consistent with the baseline assessment of Confidence in Management/Control Systems. If confidence in management is assessed as 0 or 5, and there is also assessed to be a significant risk of contamination of food with one of the specified micro-organisms, then one of the assessments cannot be correct, and each should be reviewed. Establishments should not pose a significant risk if there is high or moderate Confidence in Management/Control Systems.

Score	Guidance on the scoring system
20	Significant risk of food being contaminated with <i>Cl. botulinum</i> , and the organism surviving any processing and multiplying; or Significant risk of ready-to-eat food being contaminated with micro organisms or their toxins that are pathogenic to humans.
0	Any other case not included above.

Score:

Inspection Ratings:  Total:

## Food hygiene intervention frequencies

Category	Score	Minimum intervention frequency
A	92 or higher	At least every 6 months
B	72 to 91	At least every 12 months
C	52 to 71	At least every 18 months
D	31 to 51	At least every 24 months

E	0 to 30	A programme of alternative enforcement strategies or interventions every three years
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Establishments rated as low-risk (30 or less) need not be included in the planned inspection programme, but must be subject to an alternative enforcement strategy at least once in every 3 years.

### APPENDIX 3 – Performance Management

Activity	Number of inspections required 2017/18	Number of Inspections Undertaken	Comments	Target 2018/19
<b><u>Food Hygiene Interventions</u></b>				
A (high risk)	20	20	100 % completed	16 in first 6 months
B	177	177	100 % completed	182 (100%)
C	578	569	98.4 % completed.	563 (100%)
D	674	649	97.7 % completed	822 (100%)
E (low risk)	420	420	100 % completed	451 (100%)
Unrated (newly registered businesses)	197	197	100 % completed	146 (100%)
Revisits		Total 433	These are visits to check that work required has been completed	Target cannot be set.
All 184 (broadly compliant)	91%			Target 90%
<b><u>Imported food</u></b>				
Samples	10% of credit allocation	89 samples taken	13.7 % of samples	10% of allocation
<b><u>Food and water Sampling</u></b>				
Number of food samples and environmental swabs	80% of credit allocation	Total 672	73% of credit allocation	80% of credit allocation
<b><u>Service Requests</u></b>				
Total number received		1408	A 8.3% increase on 2017/18	Unable to set target.

## **APPENDIX 4 – Sampling report 2017 - 2018**

In the Year 2017 – 2018, the Food Safety section within Environmental Health undertook food sampling and environmental swabbing using a credit allocation of 20,500 for the year. In total 14950 credits were used i.e. 73% spend for the year.

Sampling undertaken by officers included routine sampling, local and national co-ordinated sampling projects, sampling undertaken as part of outbreak investigations and specific sampling tasks allocated to designated officers including undertaking formal sampling to maintain competence.

This Authority participated in the following regional sampling projects co-ordinated by Public Health England's Food, Water and Environment Laboratory at Sand Hutton, York.

### **XR29 Cooked Meat Products Including Black Pudding.**

#### **Background:**

Food and Environmental sampling has been shown to be a valuable tool, with the potential to provide information about food quality and safety, and has the potential to prevent outbreaks of food borne illness. This survey recognises that there is a wide range of cooked meat products and black pudding available to the consumer. Some products are made in large approved manufacturing premises, while other products are manufactured in smaller premises that produce and supply directly to the final consumer, or possibly to other outlets. The microbiological safety of RTE cooked meats and black pudding is of importance to the consumer and the food industry. Experience shows that verification of HACCP plans using microbiological sampling and demonstration of legislative compliance using the sampling plans defined in EC 2073/2005 (as amended) is not consistently performed by FBO's.

These products are ready to eat and do not require further cooking. As such, the absence of potentially pathogenic microorganisms is paramount.

Both product types should be compliant with EC2073/2005 (as amended). Samples will be taken with due consideration of food safety management systems, HACCP and an assessment of compliance at the premises.

#### **Aim:**

To assess cooked meats and black pudding against the legislative standards defined in EC 2073/2005 (as amended) and collect information about food safety management and in-house testing and challenge testing of meat products.

### **XR32 Hygiene in Bakeries**

#### **Background:**

Anecdotal information and cases of food poisoning/food borne illness suggests that there may be failures in the food safety management system within bakery premises, including cross contamination. This survey takes a holistic approach to considering food safety management and microbiological safety of food and the environment. The survey includes the sampling of cold ready-to-eat foods that are not undergoing further

heating/cooking. Foods containing eggs, (including those containing raw shell eggs and pasteurised eggs) and foods containing meat/meat products are of particular interest.

**Aim:**

The aim of the study is to investigate the microbiological quality and safety of food being produced and sold in bakeries, with a focus on products being made, baked or finished-off on the premises. The survey will also assess hygiene standards in these premises.

This authority took part in the following National PHE Study 2017-18

**Study 63 Ovens used for cooking meat joints in Catering Premises, with a specific focus on slow cooking ovens and Salmonella**

**Background:**

Food and Environmental sampling has been shown to be a valuable tool when investigating outbreaks of *Salmonella* associated with food premises. Incidents have arisen where complex cooking equipment, food production practices and/or defects in the structure of the food areas has resulted in contamination of food. This study is in response to recent outbreaks of salmonellosis that have occurred over a protracted period as opposed to a single point source episode involving a contaminated food for example. Complex cooking equipment that is not being effectively cleaned can lead to a wider low level contamination of the kitchen environment that leads to sporadic cases.

**Aim:**

To provide microbiological data on ovens used for the cooking of meat joints in catering premises

**Imported Food Sampling**

The FSA expects local authorities to use 10% of their annual credit allocation to take and test imported food samples i.e. foods which come from countries outside the EU. In 2017/18 Bradford submitted 91 food samples from Third countries, equivalent to 13.7 % of the samples taken. Of these samples 5 (5.5%) were considered to be unsatisfactory.

**Dairy Sampling at Approved Premises**

Officers continued to visit the on-farm pasteurisers and took samples at those designated premises.

**Other Approved Premises**

Sampling continued to be undertaken at other approved premises, mainly those producing meat products. Not all approved premises were subject to a sampling visit during the financial year.

**Formal Sampling**

All officers within the service are expected to undertake a formal food sampling during the financial year to ensure that skills required when taking samples which may be subject to legal action, are maintained. This involves sampling using aseptic technique. Officers use sterile sampling equipment and follow practices which ensure the sample does not become contaminated by the process of sampling itself. Most officers within

the service achieved this requirement, some doing this as part of formal food borne outbreak investigation work.

### **Investigative sampling**

Officers use routine sampling to assess cleanliness of premises, investigation of isolated complaints of suspected food poisoning and to assess shelf life and cooking processes.

### **Recommendations**

1. That the department continues to participate in both national and cross regional sampling projects, as workloads allow.
2. The department continues to target businesses which import food, to give specific priority to products of animal origin.  
  
That all environmental swabbing is focused and based upon risk.
4. That all officers continue to undertake sampling to ensure competence in this area of work.

## Guide to Micro-organisms

Organism Name	Nature of Organism	About the Organism
Aerobic Colony Count (ACC)/Plate Count	General bacteria count at 30°C	<p>The ACC is an indicator of quality, not safety, and cannot directly contribute towards a safety assessment of a ready-to-eat food.</p> <p>Immediate action in response to high ACCs is not usually warranted.</p>
Enterobacteriaceae	Hygiene Indicator Organism	<p>These organisms are used to assess the general hygiene status of a food product. Some of these organisms originate from the intestinal tract of humans and animals. These bacteria are readily killed by heat processing and should be removed from equipment and surfaces by appropriate cleaning. Presence in heat treated food signifies inadequate cooking or post processing contamination.</p>
Escherichia coli (E.coli)	Hygiene Indicator Organism	<p>This organism belongs to the Enterobacteriaceae family. It is a faecal indicator used to assess the hygiene status of a food product. It is killed by heat and should readily be removed from the food production area by appropriate cleaning. Some strains may be pathogenic but these pathogenic strains are rarely found in ready-to-eat foods.</p>
Coliforms	Hygiene Indicator Organism	Similar to Enterobacteriaceae (See above)
Bacillus species	Pathogen	<p>This group does not include <i>Bacillus cereus</i> which is the common pathogenic <i>Bacillus</i>. The <i>Bacillus subtilis</i> group can be pathogenic. Illness with these organisms includes acute-onset vomiting often followed by diarrhoea. Illness usually follows consumption of poorly stored cooked foods. It is associated with many foods but is particularly associated with foods prepared from poultry, meat, vegetables, rice, bread, spices and spice products.</p>

Organism Name	Nature of Organism	About the Organism
Pseudomonas aeruginosa	Opportunistic pathogen	This organism is commonly found in soil and ground water. It rarely affects healthy people and most infections are associated with long exposure to contaminated water.
Phosphatase Test	Chemical test	This test is undertaken on pasteurised milk to check that a suitable pasteurisation process has taken place. The pasteurisation process should be sufficient to destroy the enzyme phosphatase in milk. If phosphatase remains in the milk after pasteurisation, then pathogenic organisms may also have survived the pasteurisation process.

## End of year Statistics by Food Groups

Food group	No Samples Taken	No Samples Unsatisfactory	Any other information	Action taken by Authority
Confectionary	25	7	ACC Enterobacteriaceae	Advise to business
Herbs & Spices	26	4	Enterobacteriaceae failure Bacillus species	It is not unusual for fresh herbs to have enterobacteriaceae Notified originating authority for imported products
Soups and sauces	5	2	ACC	Advise to business
Dairy products (inc milk)	65	9	On farm produced milk samples Enterobacteriaceae failure	Visit to farm to discuss potential areas of post pasteurisation contamination.
Fish & Shellfish	5	2	Enterobacteriaceae failure ACC	Advice to business
Fruit & Veg	42	2	Enterobacteriaceae ACC	Advice to business
Bakery	7	1	Enterobacteriaceae ACC	Advice to business
Meat	81	28	ACC failures Enterobacteriaceae failures	Businesses advised and advice given re stock control and hygiene
Nuts	19	0		
Prepared dishes	43	3	ACC	Advice to Business
Eggs	7	1		
Swabs	317	67	ACC Enterobacteriaceae failures Listeria	Action taken according to risk

## **APPENDIX 5 – Food Sampling Policy**

### **1. Introduction**

- It is a requirement of the Food Law Code of Practice that local authorities publish a sampling policy.
- The City of Bradford Metropolitan District Council (CBMDC) recognises the important contribution sampling has in assisting food law enforcement and the protection of public health. Effective sampling is an essential part of a well balanced enforcement service.
- CBMDC aims to ensure that all food, drink and environmental samples are taken in accordance with the statutory Food Law Code of Practice and Practice guidance issued by the Food Standards Agency.
- All authorised officers undertaking food sampling will be qualified and trained to ensure that they are competent in the skills required for taking food, milk, water sampling and environmental swabbing. Other staff will be trained to enable them to assist or carry out informal sampling.
- Our policy is to participate in centrally co-ordinated food sampling programmes for the United Kingdom. Food sampling will also be undertaken in accordance with locally devised programmes. Sampling will be undertaken at those premises which require sampling under the Food Law Code of Practice; these will include manufacturers and particularly premises approved under Regulation (EC) No. 853/2004.
- The Authority is fully committed to the Primary/ Originating Authority Principle and will undertake any food sampling which is considered necessary to ensure that standards are being maintained and improved by the company for which we act as either Primary or Originating authority.
- This sampling policy has been prepared in consultation with Public Health England Food Water and Environmental Microbiology Laboratory, York and West Yorkshire Analytical Services.
- The Environmental Health Food team does not have any responsibility for Food Standards issues i.e. food composition or labelling. These matters are the responsibility of West Yorkshire Trading Standards.
- Sampling will be undertaken in accordance with internal procedural documents.

### **2. Aims of Sampling**

- To provide Bradford MDC with a co-ordinated sampling programme
- To provide bacteriological results which can be used to make an assessment of the food safety standards in relation to the handling, sale and manufacture of food within the authority boundaries.
- To address both local and national food safety concerns.

- To act as supporting evidence in the enforcement of food safety where appropriate.
- To act as an educative tool to help inform businesses and the public regarding food safety issues.
- To participate in both local and national food sampling programmes in order to help in the assessment and review of national bacteriological standards.

### **3. Qualifications of Sampling Officer**

- All officers undertaking formal (official) sampling will be qualified and trained as detailed in Food Law Code of Practice.
- New officers will be trained in all the recognised sampling techniques which they can be expected to utilise in the course of their duties, this will include techniques for informal food, milk, water and environmental sampling. Suitably authorised officers will undergo training on aseptic sampling techniques, which may be required in cases where legal proceedings may follow.
- All officers will, from time to time, undergo refresher training, on all sampling techniques, to ensure that sampling skills are maintained within the Authority.

### **4. Sampling Quotas**

- Public Health England sets an annual credit allocation for all local authorities. This is set for any 12 month period and is a free non-negotiable allocation which authorities must work to. The PHE also sets a credit value for all sample types submitted to the laboratory. Each sample submitted to the laboratory will have its equivalent value deducted from the baseline allocation for that year.

### **5. Sampling Programmes**

- All sampling work carried out by the Authority may be limited by the availability of sampling credits, officer availability and officer workloads. The authority is committed to undertaking sampling as part of its programme of work. An annual sampling programme will be produced. This will detail the quantity and areas of sampling to be carried out each year.

### **Routine Food Sampling**

- These visits will usually consist of informal food sampling visits. Routine sampling undertaken by officers will be based upon risk or as directed by the EHM (Food safety). Historical data and risk assessments may be used to direct the food sampling undertaken by officers.

### **PHE Food Sampling Programmes**

- PHE currently devise sampling programmes on an annual basis. These are national programmes to carry out microbiological analysis of samples from a broad spectrum of

business types and for a variety of different food types. The focus for these sampling surveys is to undertake statistical evaluations and to make recommendations on these for national microbiological standards.

### **Food sampling as part of the Programmed Food Hygiene Inspections**

- Officers may undertake informal food sampling visits as part of programmed food hygiene inspections. These sampling visits may include food, water and environmental sampling. These visits will be undertaken as and when is deemed appropriate by the officer or the Environmental Health Manager. Samples may be used to assess the levels of cleanliness prior to an inspection and/or to determine the areas to concentrate on during the food hygiene inspection. Sampling may be used during the inspection process to check on areas of concern or it may be undertaken post inspection to clarify those points of concern raised during the inspection or to check that recommendations made post inspection have been implemented.

### **Imported Food Sampling**

- We will pro-actively undertake food sampling at businesses which have been identified as either importing food directly or displaying food for sale which has been imported. Imported food, in this respect, is any food which has been brought into the UK from outside the European Union. 10% of the annual credit allocation will be used for imported food sampling.

### **Investigation of a Suspected Outbreak**

- Food sampling will be undertaken, as deemed necessary, to determine the source of any suspected outbreak which is thought to originate in the Bradford Metropolitan District.
- The authority will consider any request made by another local authority with a view to officers assisting in an outbreak investigation by sampling in premises within the Bradford District.

### **Investigation of Suspected Food Poisoning in an individual**

- Officers of the authority may undertake any food sampling which is considered necessary to determine the source of any suspected food poisoning in the case of an individual.
- The authority may test any suspect food which has been retained by the individual and may take samples from any premises considered to be the likely source of the individual case. The level and type of sampling will be dependent upon the circumstance of each individual case.

### **Service Requests**

- Officers may undertake any necessary food sampling in the investigation of a food complaint. This may involve taking further samples from the vendor of the food, or, where the manufacturing company is based within the Bradford Metropolitan District.

- CBMDC may undertake any sampling as required by a Primary Authority.
- CBMDC acts as a Primary/Originating Authority for some food companies located in the district. The Authority will take samples from these businesses under the umbrella of the agreement. Any samples taken will be taken on a risk assessed basis.
- This Authority is committed to becoming involved in any food sampling programmes as determined by the Food Standards Agency.
- On occasion adverse food results are notified to the FSA for samples which have originated from other LAs. Where such samples have originated within the CBMDC, this authority will undertake any follow up formal sampling as directed by the Food Standards Agency.

### **PHE Laboratory Sampling Programmes (York Laboratory)**

- PHE may propose food sampling programmes for all authorities who use the PHE Food, Water and Environmental Laboratory network lab (York).
- CBMDC will become involved in those food sampling programmes and we will aim to achieve the level of sampling required for these programmes.

### **EU Co-ordinated Food Sampling Programmes**

- Where an EU sampling programme arises which covers any food safety related issue, CBMDC will endeavour to become involved in that food sampling programme, dependent upon resources.

## **7. Laboratories**

### **Public Health England (PHE) Laboratory**

- CBMDC undertakes to submit all food samples for microbiological examination to the PHE Food, Water and Environmental Microbiology Network (York Laboratory).
- The authority will set sampling levels in a service level agreement with the local PHE. The agreement will set the level of sampling for the year and includes food sampling, water sampling, milk and dairy sampling and environmental sampling. The level of sampling is based upon historical sampling levels and is adjusted on an annual basis. CBMDC will endeavour to maintain the level of sampling allocated.
- Payment for food samples submitted to the PHE comes from a central fund which the PHE gains from central government. The service level agreement with the PHE takes into account the level of funding available to the local authority. Should the local authority exceed the sampling levels agreed then the local authority may incur a charge for any further sampling which is undertaken.
- CBMDC will seek advice from the Food Examiners at the PHE Laboratory on any matters with regard to sampling where the product to be sampled is unusual, where the sampling process is complicated, or where it is unclear which microbiological Category the food

comes under.

### **West Yorkshire Analytical Services**

- West Yorkshire Analytical Services (WYAS) is an Official Food Control Laboratory based in Morley, Leeds. Senior staff hold Public Analyst appointments on behalf of CBMDC. They are able to deal with a wide range of analysis including foreign body identification, identification of moulds, chemical taints, freshness and quantification of fungal toxins.
- Samples submitted to the WYAS are paid for following the analysis and are charged to the individual local authority.
- CBMDC will only submit food samples to the laboratory if they are the source of a food complaint investigation, or if the samples have the potential to cause injury to health, or the work undertaken by the lab may provide unique and valuable information to the authority or it is envisaged that a prosecution may be undertaken as a result of the information gained from the laboratory.

## APPENDIX 6 – Communicable Diseases

### Bradford Environmental Health - Communicable Diseases

The following notifications have been dealt with by Environmental Health:

Disease		2017/2018
Hepatitis A		5
Hepatitis E		0
Cholera		0
Dysentery	Entamoeba histolytica	0
	Shigella Boydii	1
	Shigella Dysenteriae	0
	Shigella flexneri	3
	Shigella sonnei	8
	Not Typed	2
Food Poisoning	Bloody diarrhoea	0
	B.cereus	0
	C.botulinum	0
	Campylobacter	204
	E.coli 0157	9
	E.coli –other than 0157	0
	Listeria	2
	Salmonella	72
	Suspected Food Poisoning	132
	Yersinia	1
Gastro Enteritis	Cryptosporidium	26
	Giardia	24
Respiratory Disease	Legionella	0
	Tuberculosis	0
	Part 2a order	0
Paratyphoid Fever	Salmonella	2
Typhoid Fever	Salmonella	3
Total		494

## APPENDIX 7 – Action Plan 2017/18 and 2018/19

Topic	Planned 2017/18	Achieved 2017/18	Planned 2018/19	Target 2018/19
Food Law CoP 2015	Continued monitoring of new requirements and CPD log. Align authorisations with competency.	Authorisations completed and updated. Regular reviews of CPD log at team meetings	Continued monitoring of new requirements and CPD log.	20 hours CPD per year
Primary Authority Partnership (PAP)	To continue to promote the PAP and establish partnerships where appropriate. Agree work to be undertaken with each PAP	Produced assured advice for NFFF and worked in partnership with the FSA on the regulatory review of official controls.	To continue to promote the PAP and establish partnerships where appropriate. Agree work to be undertaken with each PAP	
Partnership work with Jamie Oliver Ministry of Food	Partnership Work dependant on continuation of the project		Liaise with The Health Improvement Team to identify ways of collaborating on projects and sharing information	
Good Food Award	Not planned but initiated in 2017/18	2 x Joint training sessions with WYTS for food businesses on improving food safety and advising of the Good Food Award	To take part in joint training sessions when required depending on continuation of project.	
Premises with a FHRS rating of 2 and below			Develop initiatives to improve the rating of businesses	96% of premises to be broadly compliant

<b>Topic</b>	<b>Planned 2017/18</b>	<b>Achieved 2017/18</b>	<b>Planned 2018/19</b>	<b>Target 2018/19</b>
Food Safety Week (FSW)	Participate in Food Safety Week 2017. To engage with local businesses and consumers and raise awareness of food waste and safely using leftovers.	Worked jointly with Ministry of Food in distributing information.  Messages put out through Council Facebook page.	Participate in Food Safety Week 2018. To engage with local businesses and consumers.	
CD procedures	To investigate all cases of CD in line with the agreed protocol. Performance indicators to be produced to demonstrate compliance. To undertake annual review of CD procedures.	CD procedures reviewed including emergency call out kit instructions. 96 % of CD notifications dealt with within GI standards	To investigate all cases of CD in line with the agreed protocol. To undertake annual review of CD procedures.	100%
CD educational initiatives	In conjunction with PHE and Education Dept – To provide a seminar for school staff on prevention and control of communicable diseases.	Event not held due to other PHe commitments		
Communicable Disease Audits	To carry out 1 audit a year on major organisms	Audit not undertaken due to maternity leave of CD officer	To carry out 1 audit a year on major organisms	
Quality Management System (QMS)	On-going review of procedural documents. Amend procedures if required as a result of inter authority audit on approved premises	Reviews undertaken where necessary and in light of legislative changes.	On-going review of procedural documents. Amend procedures if required.	

Topic	Planned 2017/18	Achieved 2017/18	Planned 2018/19	Target 2018/19
Food Team Review	Continue to look at process / service improvement.  Taking part in BRDO project to assess quality of information given to new businesses.	Reviewed response to service requests in light of 19% increase in demand.  BRDO Project started April 2017 to review in 12 months	Continue to look at process / service improvement.  Continued participation in BRDO project to assess quality of information given to new businesses.	
Training for staff	To continue with provision of cascade training for staff. Staff to attend "business critical" training as required.	Micro analysis training Sampling training WYPFOG event (incl. rare burgers, POCA) Not all officers achieved CPD requirements due to sickness.	To continue with provision of cascade training for staff. Staff to attend "business critical" training as required.	All food officers to undertake a minimum of 10 CPD hours in food matters directly related to the delivery of official controls and 10 hours on other professional matters.
FSA led food safety campaigns including promotion of FHRS	To use FSA promotional material produced for various campaigns.	Promoted the 'Christmas and Valentine's day campaigns for consumers' - advising the public to check out the rating before booking a restaurant.	To use other campaigns developed by the FSA throughout the year.	
Positive Lifestyle centre	Support the Centre by providing bespoke food hygiene training at sessions to school children.	Attended 3 sessions at Bradford City and did a presentation on Safe Food and You. Used the UV Glow hand washing box to promote effective hand washing. 25 children attended each session	To continue support for the centre as resources will allow.	Unable to set target as attendance at events is on request from the organisation.

Topic	Planned 2017/18	Achieved 2017/18	Planned 2018/19	Target 2018/19
BREXIT			Act on advice and information from FSA, likely impact for example: Renew all authorisations for all officers for implementation of new legislation. Increased demand for export certificates	
Feeders Digest	To produce and post the newsletters by Sept. 2017 and March 2018. To email the newsletter to businesses where an email address is available.	Two editions of Feeders Digest were published and posted to all registered food businesses in September 2017 and March 2018. Promoted the Stay connected emails to businesses in the last edition of Feeders to encourage subscription.	Develop Stay Connected email system for sending out food advice to business and consumers.	To get 1000 subscribers

## **APPENDIX 8 – Training Programme 2018**

The Environmental Health Service will provide 10 CPD hours relating to food matters directly related to official controls for authorised officers. In addition all authorised officers are required to obtain a further 10 hours on other professional matters.

The training that will be provided for food officers will include:

- Training on Regulation EC 2073 on micro analysis
- Food Fraud
- HACCP
- Outbreak investigation
- FHRS consistency exercises

Lunchtime drop in training sessions will be organised throughout the year. Officers will be encouraged to attend this training. However, these are not compulsory and may only provide supplementary hours as opposed to core training hours. The officers are responsible for ensuring that they achieve the total amount of CPD required.

## **Report of the Chief Executive to the meeting of Council to be held on 16 October 2018.**

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#### **Subject:**

**Designation of the post of Director of Finance (post currently called Assistant Director, Finance and Procurement) as the Council's Section 151 Officer/Chief Financial Officer.**

**Proposed consequential amendments to the Council's Constitution.**

#### **Summary statement:**

**This Report recommends that the Council designates the post of Director of Finance (post currently called Assistant Director Finance and Procurement) as the Council's Section 151 Officer/Chief Financial Officer.**

**This Report also recommends consequential amendments to the Council's Constitution to reflect the new designation.**

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Kersten England  
Chief Executive

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and Litigation Team

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## **1. SUMMARY**

- 1.1 This Report recommends that the Council designates the post of Director of Finance (post currently called Assistant Director Finance and Procurement) as the Council's Section 151 Officer/Chief Financial Officer.
- 1.2 This Report also recommends amendments to the Council's Constitution to reflect the new designation.

## **2. BACKGROUND**

- 2.1 On 20 September 2016 the Executive approved a new senior management structure for the Council which included the posts of Strategic Director Corporate Services (now called Strategic Director Corporate Resources) and Assistant Director Finance and Procurement. On 18 October 2016 full Council designated the post of Strategic Director Corporate Services as the Council's section 151 Officer/Chief Financial Officer.
- 2.2 The then Strategic Director, Corporate Services left the Council's employment in February 2018. The Council's City Solicitor was temporarily appointed to the post of Interim Strategic Director Corporate Resources.
- 2.3 During the recruitment process for the new Strategic Director Corporate Resources, the post of Assistant Director Finance and Procurement was temporarily designated as the Council's s151 Officer/Chief Financial Officer for the term of office of the Interim Strategic Director Corporate Resources as detailed in the Council's 2018/19 Pay Policy Statement.
- 2.4 In order to attract a broader field of candidates it was not a requirement that the Strategic Director Corporate Resources hold an appropriate accountancy qualification, a requirement for the Section 151 Officer/ Chief Financial Officer. It was proposed that if the successful candidate was not an accountant, the Section 151/Chief Financial Officer responsibilities sit within the post of Assistant Director Finance and Procurement.
- 2.5 The term of office for the Interim Strategic Director Corporate Resources ended on 5 August 2018. The newly appointed Strategic Director Corporate Resources is not an accountant and therefore can not hold the position of the Council's Section 151 Officer/Chief Financial Officer.
- 2.6 Pursuant to Article 14.20.3 of the Council's Constitution the Chief Executive extended the designation of the post of Assistant Director Finance and Procurement as the Council's Section 151 Officer/Chief Financial Officer pending a decision of Council as to its designation.

2.7 In addition pursuant to Article 14.20.3 of the Council's Constitution the Chief Executive changed the job title of the post of Assistant Director Finance and Procurement to Director of Finance to be effective should Council designate the Director of Finance post as the Council's Section 151 Officer/Chief Financial Officer and approved the grade for the post of Director of Finance as AD1 (£94,709 to £100,281).

### 3. SECTION 151/CHIEF FINANCIAL OFFICER DESIGNATION

3.1 Under Section 151 Local Government Act 1972 the Council is required to make arrangements for the proper administration of its financial affairs and is required to secure that one of its officers has responsibility for the administration of those affairs.

3.2 On 18 October 2016 Council designated the post of Strategic Director Corporate Services (now called Strategic Director Corporate Resources) as the Council's Section 151 Officer/Chief Financial Officer.

3.3 The newly appointed Strategic Director Corporate Resources is not an accountant and therefore can not hold the position of the Council's Section 151 Officer/Chief Financial Officer. The Assistant Director Finance and Procurement has been designated the Section 151 Officer/Chief Financial Officer on a temporary basis during the recruitment process for the new Strategic Director Corporate Resources and pending a decision of full Council.

3.4 It is recommended that Council designates the post of Director of Finance (currently called Assistant Director Finance and Procurement) as the Council's Section 151 Officer/Chief Financial Officer to take effect immediately.

### 4. PROPOSED AMENDMENTS TO THE COUNCIL'S CONSTITUTION

4.1 It is recommended that the Constitution is amended as follows:

4.1.1 Replace all references to the Strategic Director Corporate Resources with Director of Finance with the following exceptions (amendments shown in red):

#### Article 14.32.2

Amend article 14.32.2 so that it reads:

*The Chief Executive may discharge the functions in Part H of Schedule 1 to the Regulations. Responsibility for Treasury Strategy shall however be the responsibility of the Chief Financial Officer and Investment Strategy shall be the responsibility of the Strategic Director Corporate Services and the Chief Financial Officer.*

#### Financial Regulations -Regulation 8

Amend Regulation 8.1 so it reads:

*8.1 The Investment Advisory Group (IAG) will make investment recommendations to the Strategic Director Corporate Resources and the*

*Chief Financial Officer* and oversee a strategy for generating income from investment in other assets, taking into account sources of funds, objectives/purpose, scope of investment (geography, sector, exclusions), risk appetite, duration, return requirements and the economic and regulatory environment.

Leave Regulation 8.2 as currently drafted so that it reads:

*8.2 The Strategic Director Corporate Resources and the Chief Financial Officer exclusively can make investments. They must put them under the name of the Council and/or the appropriate Trust Fund. Investments can include loans made to for profit and not for profit organisations providing the purpose of the loan is consistent with the Council's priorities and advice relating to State Aid has been obtained.*

4.1.2 Replace all references to the Assistant Director Finance and Procurement with Director of Finance.

## **5. FINANCIAL & RESOURCE APPRAISAL**

The resources required to amend the Constitution can be met from existing provision.

## **6. RISK MANAGEMENT AND GOVERNANCE ISSUES**

The designation of the post of Director of Finance and the proposed changes to the Constitution ensure that the altered responsibilities and delegated powers are correctly reflected in the Constitution.

## **7. LEGAL APPRAISAL**

7.1 Under Section 151 Local Government Act 1972 the Council is required to make arrangements for the proper administration of its financial affairs and is required to secure that one of its officers has responsibility for the administration of those affairs.

7.2 Article 17 of the Constitution requires the Monitoring Officer to take steps to make herself aware of the strengths and weaknesses of the Constitution and make recommendations for improvement.

7.3 Given the nature of the changes it would not be appropriate for the Monitoring Officer to make such changes in exercise of her powers under Article 14.5 of the Constitution and therefore such changes can only be made following approval by the full Council.

## **8. EQUALITY AND DIVERSITY**

There are no specific equality and diversity issues.

## **9. OTHER IMPLICATIONS**

None.

**10. NOT FOR PUBLICATION DOCUMENTS**

None

**11. RECOMMENDATIONS**

11.1 That Council designates the post of Director of Finance as the Council's Section 151 Officer/Chief Financial Officer such designation to take effect immediately.

11.2 That Council adopts the proposed amendments to the Constitution as set out in paragraph 4.1 above.

11.3 That the City Solicitor be granted delegated authority to make consequential amendments to the Constitution as a result of any recommendations approved by full Council.

11.4 That the City Solicitor ensures that any agreed amendments are implemented.

**12. APPENDICES**

None

**13. BACKGROUND DOCUMENTS**

None

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