COUNCIL
30 MARCH 2022

MID SUSSEX
DISTRICT COUNCIL

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DISTRICT COUNCIL

Oaklands Road
Haywards Heath
West Sussex
RH16 1SS

Switchboard: 01444 458166

DX 300320 Haywards Heath 1
www.midsussex.gov.uk

22 March 2022

Unless a majority of the Council resolve to extend the meeting before 10.00 pm it will automatically end at 10.00 pm in accordance with Council Procedure Rule 17.2.

NOTE: In response to the continuing public health restrictions, there will be limited public access to observe the meeting. Those wishing to do so must reserve a seat by completing a Registration Form by 4pm on the working day prior to the meeting. Access is also available via a live stream through the Mid Sussex District Council's YouTube channel.

To all Members of the Council,

You are hereby summoned to attend a meeting of the **MID SUSSEX DISTRICT COUNCIL** to be held at **TRINITY METHODIST CHURCH, EAST GRINSTEAD, RH19 2HA** on **WEDNESDAY, 30TH MARCH, 2022 at 7.00 pm** to transact the following business:

Yours sincerely,

KATHRYN HALL
Chief Executive

		Pages
1.	Opening Prayer.	
2.	To receive questions from members of the public pursuant to Council Procedure Rule 9.	
3.	To confirm Minutes of the meeting of Council held on 2 March 2022.	**5 - 18**
4.	To receive Declarations of Interest from Members in respect of any matter on the Agenda.	
5.	To consider any items that the Chairman of the Council agrees to take as urgent business.	
6.	Chairman's Announcements.	
7.	Recommendations from Cabinet held on 21 March 2022.	**19 - 20**

Working together for a better Mid Sussex

To: **Members of Council:** Councillors M Belsey (Chairman), P Coote (Vice-Chair), G Allen, J Ash-Edwards, R Bates, J Belsey, A Bennett, L Bennett, A Boutrup, P Bradbury, P Brown, H Brunsdon, R Cartwright, P Chapman, R Clarke, E Coe-Gunnell White, M Cornish, R Cromie, J Dabell, R de Mierre, B Dempsey, J Edwards, S Ellis, R Eggleston, A Eves, B Forbes, L Gibbs, I Gibson, S Hatton, J Henwood, S Hicks, S Hillier, T Hussain, R Jackson, J Knight, C Laband, Andrew Lea, Anthea Lea, J Llewellyn-Burke, G Marsh, J Mockford, A Peacock, C Phillips, M Pulfer, R Salisbury, S Smith, A Sparasci, L Stockwell, D Sweatman, C Trumble, N Walker, R Webb, N Webster and R Whittaker

Minutes of a meeting of Council held on Wednesday, 2nd March, 2022 from 7.00 pm - 9.00 pm

Present: M Belsey (Chairman)
P Coote (Vice-Chair)

J Ash-Edwards	B Dempsey	G Marsh
R Bates	J Edwards	J Mockford
J Belsey	R Eggleston	A Peacock
A Bennett	A Eves	C Phillips
L Bennett	B Forbes	M Pulfer
P Brown	L Gibbs	S Smith
R Cartwright	I Gibson	A Sparasci
P Chapman	J Henwood	L Stockwell
R Clarke	S Hicks	D Sweatman
E Coe-Gunnell White	S Hillier	C Trumble
M Cornish	R Jackson	N Walker
R Cromie	J Knight	R Webb
J Dabell	Andrew Lea	N Webster
R de Mierre	Anthea Lea	R Whittaker

Absent: Councillors G Allen, A Boutrup, P Bradbury, H Brunsdon, S Ellis, S Hatton, T Hussain, C Laband, J Llewellyn-Burke and R Salisbury

1. OPENING PRAYER.

The opening prayer was read by the Vice-Chairman.

The Chairman expressed sympathy to all families suffering in Ukraine. The Leader of the Council made a statement of support for the Ukrainian people, acknowledging that the rest of the world has been inspired by the courage shown by them during this time of aggression. He stated his intention to write to the Ambassador to express solidarity and to write to the Prime Minister to urge the Government to do all it can to support Ukraine. The three Group Leaders echoed the statements of solidarity with Ukraine and urged the Government to do all it can in terms of economic sanctions and humanitarian aid.

2. TO RECEIVE QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE 9.

The following question was received from Mr Kenward and was read by the Chairman in his absence.

With the NHS likely to be vacating Clair Hall soon and the Steering Group findings not expected to be known until September. What plans have council made to facilitate the venues return to use in line with the Court Order of the 13th of January 2020 which states, 'nothing shall prejudice the use of Clair Hall as a vaccination centre or require it to be opened contrary to law.' Do members regret allowing the wrecking amendments made to the motion tabled by the Lib Dems on the 29th of September 2021 which if adopted would've catered for this very scenario?

The following response was provided by the Leader, Cllr Jonathan Ash-Edwards:
Thank you for your question.

Since December 2020 there has been a meanwhile use in operation with the NHS using Clair Hall. Today the Council has announced it had extended a licence for the NHS to use the Clair Hall site in Haywards Heath as a Covid-19 vaccination centre.
The NHS has been vaccinating local residents against Covid-19 at the Clair Hall site since December 2020 and has delivered an incredible 194,000 jabs so far. The new licence will run until February 2024 and will allow NHS to continue delivering this important service.

I'm really pleased to see the licence extension will enable the NHS to provide additional primary care services alongside vaccinations to support the community's health needs.

Also, I would like to highlight that the use of Clair Hall as a vaccination centre is a temporary measure and Mid Sussex District Council is continuing to explore all the options for providing modern new sustainable community facilities on the site for the benefit `of local residents. The Council has agreed an evidence-based approach to look at how this could be delivered on the Clair Hall site and this work should be unaffected by the extension of the licence.

The following question was received from Ms Wilcock:

Please advise why, although it has been announced nationally and Mid Sussex District Council have been formally notified that Clair Hall is now officially on the Theatres Trust At Risk Register, (a statutory body) there has been no mention of this material fact in any Council report or statement.

The following response was provided by the Leader, Cllr Jonathan Ash-Edwards:
Thank you for your question. This allows me to clarify some of the issues around the status of the Clair Hall. How the Theatres Trust communicate is a matter for them. The Council wasn't informed or consulted by the Theatres Trust on their decision to list Clair Hall and it was surprised. The Council wrote to the Trust to clarify the status of the hall as a community facility, and that we were surprised to see it added to the list.

In particular, it was very disappointing to see that factually incorrect information has been put in the public domain by the Theatres Trust stating that the Council was considering selling the site. In fact in December, the Cabinet opted to keep the community facilities on the site and agreed further, evidence-based work to develop investment options to ensure sustainable provision of the community facilities on the site.

The Director of the Theatres Trust has apologised for the factually incorrect information they have put in the public domain.

The Council hopes the Theatres Trust will correct their information and engage positively with our evidence-based approach to this work.

Ms Wilcock asked a supplementary question to clarify if you are still regarding Clair Hall as a theatre or performance space and therefore any replacement facilities will have performance based facilities.
The Leader agreed to provide a written response.

The following question was received from Mr Kingsley-Young and read by the Chairman in his absence.

Having come under rightful criticism both by your electorate on social media and by other members of council, how will the steering committee ensure impartiality and transparency over the feasibility study into Clair Hall to ensure that any examination or result isn't contaminated by the group's bias towards demolition and redevelopment?

The following response was provided by the Leader, Cllr Jonathan Ash-Edwards:
Just before Christmas, the Cabinet agreed to undertake evidence-led work to examine all the options, in order to deliver modern, future proof community facilities on the Clair Hall site.

Last month the Cabinet established a new Member Steering Group to provide oversight and guidance as detailed options are investigated. This will be a joint group with Haywards Heath Town Council and I would like to thank the Town Council for their involvement in the work. This is the same governance structure that the Council has used for projects in Burgess Hill involving Burgess Hill Town Council.

The development of options will be advised by a number of specialists, including an external specialist advisor with experience in the arts, culture and leisure sector. Using their expertise, they will coordinate market research, engagement and analysis to develop detailed proposals for review by the Member Steering Group. I will not compromise on the goal which is as per the mandate of the public consultation where 95% of people wanted change and modernisation and improvement on site. We will work to provide a modern fit-for-purpose community entertainment provision on this site.

The following question was received from Ms Weinstein:

I am Jenny Weinstein from Mid Sussex Climate Coalition. According to a report by UK Climate Emergency https://councilclimatescorecards.uk/ which measured the plans of Local Councils on climate change, MSDC scored 20 where other District Councils such as Stroud and East Devon scored 77 and 78 respectively. We understand that a Sustainability Strategy for Mid Sussex will be considered by the Council shortly. We are aware that businesses were consulted about the economic impact of the strategy but how were residents, community groups and environmental groups consulted about the environmental and ecological aspects of development of the strategy?

The following response was provided by Councillor J Belsey:

Thank you for your question.

There has for over a year now been a variety of dialogues and conversations happening that have and will continue to inform the development of this important strategy and as we move forward, its delivery.

From 12 November to 6 December 2020 the Council in partnership with the County Council and the Local Government Association's Local Partnership's LLP, undertook a district wide survey to capture the views and behaviours of residents in relation to climate actions. A total of 2397 responses were received.

The public engagement sought and received views on:

- The best approaches for the Council to communicate and engage with a wide range of audiences, around the topics of climate change
- How COVID-19 has impacted on resident behaviours, particularly in relation to "climate actions" which reduce emissions
- How residents could be encouraged to make changes to their behaviour to reduce their greenhouse gas (GHG) emissions.

The results of this engagement had informed the strategy as it has developed and has been supplemented with feedback from a wide range of meetings with community stakeholder organisations and forums throughout 2021 including, but not limited to, the Mid Sussex Partnership and its subgroups, community fora hosted by Mid Sussex Voluntary Action and the Sussex Nature Partnership.

As we move towards the detail of delivery of the strategy it will be essential that we continue and grow that conversation. This is an incredibly important strategy for our District and we recognise that for it to succeed we need to work in partnership – that will include working with groups like the Mid Sussex Climate Coalition to identify and deliver the many actions that will be required to ensure we have a vibrant District that is attractive, resilient and innovative that balances social well-being, environmental protection and sustainable economic growth. I look forward to continuing that conversation with you in the weeks and months ahead.

Ms Weinstein asked a supplementary question, thanking the Cabinet Member for the positive response and noting that a new report from the International Committee on Climate Change came out yesterday warning that climate change is happening much faster and more frequently with more severe weather events than had been anticipated at this stage. She asked how urgently and how soon this partnership will be set up with the local community and environmental groups to actually implement the plan which has yet to be passed.

The Cabinet Member agreed to provide a written response.

3. TO CONFIRM MINUTES OF THE MEETING OF COUNCIL HELD ON 26 JANUARY 2022.

The minutes of the meeting of Council held on 26 January 2022 were agreed as a correct record of the meeting.

4. TO RECEIVE DECLARATIONS OF INTEREST FROM MEMBERS IN RESPECT OF ANY MATTER ON THE AGENDA.

Councillor Eggleston declared an interest regarding the first amendment proposed to item 9 – Corporate Plan and Budget 2022/23 as it relates to Burgess Hill and he is Leader of Burgess Hill Town Council.

5. TO CONSIDER ANY ITEMS THAT THE CHAIRMAN OF THE COUNCIL AGREES TO TAKE AS URGENT BUSINESS.

The Chairman agreed to take an urgent item which was tabled at the meeting. A decision by the Council was required in the next week and well before the next Council meeting.

PROCUREMENT OF AN EXTERNAL AUDITOR

Councillor Pulfer moved the item as Chairman of the Audit Committee and it was seconded by Councillor Cromie.

The Chairman took Members to the recommendation as contained in the report which was agreed with a clear majority.

RESOLVED

The Council agreed to:

Join in the nationwide PSAA procurement for an external auditor with the contract starting 1st April 2023 and running to 2028.

6. CHAIRMAN'S ANNOUNCEMENTS.

The Chairman spoke of her attendance at recent events, as detailed on the website noting particularly the opening of Marne Court by Clarion Housing.

7. APPOINTMENT OF THE DEPUTY LEADER OF THE COUNCIL.

Councillor Ash-Edwards nominated Councillor John Belsey as Deputy Leader of the Council. This was seconded by Councillor Webster.

The Leader noted that there would be consequential changes to portfolios which will be circulated shortly to all Members, and that it was his intention to return the Cabinet number to 7 Cabinet Members at the Annual Council in May 2022.

The Chairman took Members to a vote on the appointment which was agreed with a clear majority.

RESOLVED

That Councillor John Belsey be appointed Deputy Leader of the Council for the remainder of the 2021/22 Council year.

8. RECOMMENDATIONS FROM CABINET HELD ON 14 FEBRUARY 2022.

Councillor Ash-Edwards moved the item, noting that the intention is to improve the financial position in relation to the deficit and bring it back into balance as soon as possible. In response to a question on the reasons for (and governance of) the efficiency specific reserve he noted that such reserves are to allow the Council to invest in service improvement and efficiencies, quite often on an invest-to-save basis and therefore they need to be pump-primed.

The item was seconded by Councillor J Belsey. The Chairman took Members to the recommendations as contained in the report which were agreed with a clear majority.

RESOLVED

Council agreed:

(i) That the use of the JE/Redundancy Specific Reserve be amended as detailed in paragraph 26 of the Cabinet report;

(ii) That £200,000 be transferred to the Efficiency Specific Reserve as detailed in paragraph 27 of the Cabinet report;

(iii) that £11,193 grant income relating to New Burdens LA Data Sharing Programme and the Housing Benefit Award Accuracy Initiative be transferred to Specific Reserves as detailed in paragraphs 28 of the Cabinet report;

(iv) that £63,409 grant income relating to Self Isolation Administration costs be transferred to Specific Reserves as detailed in paragraphs 29 of the Cabinet report;

(v) that £100,500 grant income relating to Discretionary Self Isolation be transferred to Specific Reserves as detailed in paragraphs 30 of the Cabinet report;

(vi) that £25,000 grant income relating to Rough Sleeping RSI 4 be transferred to Specific Reserves as detailed in paragraphs 31 of the Cabinet report;

(vii) that £100,100 grant income relating to New Burdens 4 Restart and Additional Restrictions Covid-19 be transferred to Specific Reserves as detailed in paragraphs 32 of the Cabinet report;

(viii) that £18,600 grant income relating to New Burdens 5 Post Payment Assurance, Reconciliation and Debt Recovery be transferred to Specific Reserves as detailed in paragraphs 33 of the Cabinet report;

(ix) that £59,093 grant income relating to Covid-19 Test and Trace Contain Management Outbreak Fund (COMF) be transferred to Specific Reserves as detailed in paragraphs 34 of the Cabinet report;

(x) that £70,000 grant income relating to Economic Recovery Fund be transferred to Specific Reserves as detailed in paragraphs 35 of the Cabinet report;

(xi) the variations to the Capital Programme contained in paragraph 44 of the Cabinet report in accordance with the Council's Financial Procedure rule B3.

9. CORPORATE PLAN AND BUDGET FOR 2022/23.

The Leader moved the item thanking the Scrutiny Committee who considered it in detail in January with cross party support. He confirmed that it is a delivery focused Budget centred on residents' priorities as the Council recovers from the impact of the pandemic. He acknowledged that there is a continuing need to bring the budget back into balance whilst delivering front line services. The Council will continue to support Leisure Centres whilst working to phase out the subsidies as soon as possible. He also noted that the Budget keeps Council Tax at the third lowest in Sussex and in

April the Council will begin to administer £150 Council Tax Rebate to lowest income families.

The Leader highlighted a number of commitments being brought forward, including 3000 households taking part in a pilot for food waste collection and the new Sustainable Economic Strategy to set the Council on a path to Net Zero. It is also a critical year for delivering an ambitious parks and open spaces programme and the master planning for the Centre for Outdoor Sports, the biggest investment in sports for a generation. Other commitments include new modern facilities at Clair Hall, playground improvements, the continuation of the Full Fibre project to support small businesses, residents and the local economy, and the acquisition of temporary accommodation and increased homelessness intervention officers to support those who need it. The item was seconded by the Deputy Leader.

A number of Members commended the budget, noting that it is a Budget and Corporate Plan for the District as a whole. It was acknowledged that it is unusual to have a budget that relies on the use of reserves and concern was raised over the projection to use reserves in 2025/26. It was noted that in the past the Council had good management of reserves for just this circumstance which has enabled it to be in a position to respond in an agile way throughout the pandemic, however attention should be given to reducing the draw on reserves as soon as possible. The Leader confirmed that the position is improving gradually and is closely under review by the Cabinet. Use of the reserves does support the capital programme and it is important to ensure they are replenished to a healthy level.

A number of Members commented on the aspirational nature of the Corporate Plan and Budget, noting that it provides significant support to the local economy in terms of full fibre provision and support for an increase in local employment as well as increased green space provision which is crucial to wellbeing.

A Member raised concern over the events that have happened since the figures were compiled for the budget at the end of 2021, noting that there is a provision for inflation at 2% but evidence that Unions will demand more than this. An increase in fuel charges and cost of food may also impair the ability of people to pay the expected amount of Council Tax. In response to a question on the Council's contingency plans for this, the Leader acknowledged that the budget is dynamic to account for this, citing the agility in responding to the changes during the pandemic as an example. He noted that there may be a need to draw more on reserves if there was an issue, and the increased cost of fuel will be kept under review with mitigating factors put in place to improve energy efficiency. Regarding the risk of lower Council Tax collection, this is mitigated by the collection fund which goes to all the precepting Authorities and the Council's share should be 10%. Support will also be provided to those residents who need it. In response to discussion around inflation, a Member requested that consideration be given to consider sharing any Officer pay rise equally as an absolute and equal amount rather than a percentage increase, to benefit those that are paid the least.
Councillor Eggleston proposed an amendment in relation to a Burgess Hill Town Centre Support Fund which seeks to redeploy funds already given by New River to improve the town centre and The Martlets site from its current unacceptable condition. This was seconded by Councillor Hicks who noted that original planning application for the Martlets redevelopment was 7 years ago with nothing having been done since, also highlighting that it forms part of the District Council's property portfolio. The amendment is detailed below:

Noting this Council's aim to “maintain, and where possible, improve the social, economic and environmental well-being of our District and the quality of life for all, now and in the future” (see Mid Sussex Sustainable Communities Strategy); and

Noting the considerable delay in the regeneration of the Martlets Shopping Centre, Burgess Hill and the blight that has resulted in this part of Burgess Hill’s town centre;

Establish a Specific Reserve to support environmental, economic and social improvements to mitigate the blight and improve the quality of life of residents, and transfer £100,000 from the General Reserve to this Specific Reserve.
The Specific Reserve will be for projects identified through a group comprising of officers from Burgess Hill Town Council and Mid Sussex District Council and subject to agreement under Financial Regulation B4.4 in consultation with the Cabinet Member.

Discussion was held on the way in which the amendment was presented, noting that the Leader was made aware a few weeks prior to the meeting. A number of Members expressed concern that it was not raised at the Scrutiny Committee in January despite encouragement from the Cabinet Member to do so, as this would have allowed for the proper scrutiny to take place. It was also noted that requests for such funds should be accompanied by a relevant business case as the Council does not have sufficient information on what the funds will be used for. A number of Members agreed on the aspirational nature of the amendment, as the town centre needs improvement but noted that the Town Council had not increased its own budget or precept to accommodate the work, and that any request at District Level should have been proposed during the budget forming stages. The Leader acknowledged that he is not against spending money on sensible proposals but reiterated the usual process for such considerations where a project is identified with a business case provided to consider budget proposals.

The Chairman took Members to a vote on the amendment which was lost with 18 in favour, 23 against and 2 abstentions.

Councillor Henwood proposed a second amendment related to the installation of a Changing Places Toilet in the Orchards Shopping Centre, citing the Leader’s comment that the budget ‘will focus on what is important to our residents and will support vulnerable people in the community’. This was seconded by Councillor Alison Bennett who confirmed it was based on discussions with the Section 151 Officer and in the spirit of cross party working, and is detailed below:

Noting that there are currently no Changing Places toilets in the town centre of Haywards Heath and to ensure that this Council creates environments that are accessible to all members of the community:

Purchase and install a modular Changing Places toilet in the Orchards Shopping Centre in Haywards Heath, at a cost of £100,000 drawn from the general reserve.

Discussion was held on the need to have clean and fit-for-purpose toilet facilities, and the need to improve the current provision at the Orchards Shopping Centre. Discussion was also held on the methods that Members can bring about amendments to the budget, the scrutiny work programmes, and cross party working. It was highlighted that work is already underway to move the current toilets, following

consultation with residents and the Kangaroos disability charity, and that provision for such facilities is likely to cost in excess of the £100k requested. The Leader noted that it was mentioned at the Cabinet meeting on 14 February and a report will come to Cabinet later this month and then to Council in order to provide a Changes Places toilet and new public toilets in Haywards Heath.

In light of this, Councillor Henwood was asked if she wished to withdraw the amendment. As she did not, the Chairman took Members to a vote on the amendment which was lost with 14 in favour, 25 against and 4 abstentions.

As seconder for the main motion, Councillor John Belsey concluded by thanking everyone for their contribution to the debate, and for their input with skills and experience in shaping projects that are coming forward. He noted that there will be challenges ahead but supported the ambitious Corporate Plan and Budget to enable the Council to continue to provide improvements and support to local residents throughout the District.

The Chairman took Members to a vote on the recommendations contained in the report. A recorded vote was taken, and the recommendations approved with 29 in favour and 15 against.

	For	**Against**	**Abstain**		**For**	**Against**	**Abstain**
Ash-Edwards, J.	✓			Gibson, I.	✓		
Bates, R.		✓		Henwood, J.		✓	
Belsey, J.	✓			Hicks, S.		✓	
Belsey, M.	✓			Hillier, S.	✓		
Bennett, A.		✓		Jackson, R.		✓	
Bennett, L.	✓			Knight, J.	✓		
Brown, P.		✓		Lea, Andrew	✓		
Cartwright, R.		✓		Lea, Anthea	✓		
Chapman, P.		✓		Marsh, G	✓		
Clarke, R.	✓			Mockford, J	✓		
Coe-Gunnell White, E.	✓			Peacock, A	✓		
Coote, P.	✓			Phillips, C.	✓		
Cornish, M.		✓		Pulfer, M.	✓		
Cromie, R	✓			Smith, S.	✓		
Dabell, J.	✓			Sparasci, A.		✓	
Dempsey, B		✓		Stockwell, L	✓		
de Mierre, R.	✓			Sweatman, D.	✓		
Edwards, J.		✓		Trumble, C.	✓		
Eggleston, R.		✓		Walker, N	✓		
Eves, A.		✓		Webb, R	✓		
Forbes, B.	✓			Webster, N.	✓		
Gibbs, L.		✓		Whittaker, R.	✓		

RESOLVED

Council agreed:

3.1 Corporate Plan and Budget 2022/23

3.1.1 That the Corporate Plan and Budget for 2022/23 set out in this report be approved;

3.2 Mid Sussex District Council Budget 2022/23

3.2.1 Revenue Spending and MSDC council tax levels for 2022/23:

(a) That Revenue Spending summarised below (see Section 2 for details) is approved:

	£'000
Service Net Expenditure	17,687
Balance Unallocated	20
Council Net Expenditure	17,707
Revenue Spending	17,707

(b) That with respect to pensions, the employer's contribution rate should be 21.4% for 2022/23

(c) That the Mid Sussex District Council element of the Council Tax be increased by 2.8% to £180.36, with no requirement to hold a local referendum in accordance with the Act.

3.2.2 Capital Programme 2022/23 (see Section 3 for details):

(a) That the Capital Programme for 2022/23 (as set out in Section 3) is approved.

3.2.3 Usable Reserves and other balances

(a) That the estimates for cash balances (see Section 4 for details) are noted.

3.2.4 Financial Strategy & Medium Term Financial Plan:

(a) That the summary Medium Term Financial Plan to 2025/26 (see Section 5 for details) is noted.

3.2.5 Collection Fund:

(a) That the estimated surplus on the Collection Fund for Council Tax totalling £1,377,000 for the year ended 31 March 2022, of which the Mid Sussex District Council share is £174,550 (see Section 6 for details) is noted.

(b) That the estimated deficit on the Collection Fund for Business Rates totalling £11,100,373 for the year ended 31 March 2022, of which the Mid Sussex District Council share is £4,440,149 (see Section 6 for details) is noted.

3.3 Council Taxes For The Mid Sussex Area:

3.3.1 It be noted that at its meeting held on 8th December 2021 the Council calculated the following amounts for the year 2022/23:

(a) 63,230.6 being the amount calculated, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012, as its council tax base for the year; and

(b) for dwellings in those parts of its area to which a Parish precept relates as set out in Table 3 Section 7 of this report.

3.3.2 £11,404,274 being the amount calculated as the Council Tax Requirement for the Council's own purposes for 2022/23 (excluding Parish Precepts).

3.3.3 That the following amounts be calculated by the Council for the year 2022/23 in accordance with Section 31 to 36 of the Local Government Finance Act 1992 (as amended by The Localism Act 2011):

(a) £71,736,938 being the aggregate of the amounts, which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils;

(b) £55,448,231 being the aggregate of the amounts, which the Council estimates for the items set out in Section 31A(3) of the Act;

(c) £16,288,707 being the amount by which the aggregate at 3.3.3(a) above exceeds the aggregate at 3.3.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year;

(d) £257.61 being the amount at 3.3.3(c) above, all divided by the amount at 3.3.1(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);

(e) £4,884,433 being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act (see Section 7 for details);

(f) £180.36 being the amount at 3.3.3(d) above less the result given by dividing the amount at 3.3.3(e) above by the amount at 3.3.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates;

(g) Part of the Council's area

Parish area	band A £	band B £	band C £	band D £	band E £	band F £	band G £	band H £
Albourne	152.17	177.53	202.89	228.25	278.97	329.69	380.42	456.50
Ansty & Staplefield	171.72	200.34	228.96	257.58	314.82	372.06	429.30	515.16
Ardingly	199.87	233.18	266.49	299.80	366.42	433.04	499.67	599.60
Ashurst Wood	181.61	211.88	242.15	272.42	332.96	393.50	454.03	544.84
Balcombe	179.09	208.93	238.78	268.63	328.33	388.02	447.72	537.26
Bolney	161.66	188.60	215.55	242.49	296.38	350.26	404.15	484.98
Burgess Hill	170.45	198.86	227.27	255.68	312.50	369.32	426.13	511.36
Cuckfield	215.76	251.72	287.68	323.64	395.56	467.48	539.40	647.28
East Grinstead	181.80	212.10	242.40	272.70	333.30	393.90	454.50	545.40
Fulking	166.46	194.20	221.95	249.69	305.18	360.66	416.15	499.38
Hassocks	177.71	207.32	236.94	266.56	325.80	385.03	444.27	533.12
Haywards Heath	158.97	185.46	211.96	238.45	291.44	344.43	397.42	476.90
Horsted Keynes	173.33	202.22	231.11	260.00	317.78	375.56	433.33	520.00
Hurstpierpoint & Sayers Common	178.97	208.79	238.62	268.45	328.11	387.76	447.42	536.90
Lindfield	164.24	191.61	218.99	246.36	301.11	355.85	410.60	492.72
Lindfield Rural	149.77	174.73	199.69	224.65	274.57	324.49	374.42	449.30
Newtimber	123.95	144.60	165.26	185.92	227.24	268.55	309.87	371.84
Poynings	155.85	181.82	207.80	233.77	285.72	337.67	389.62	467.54
Pyecombe	186.05	217.05	248.06	279.07	341.09	403.10	465.12	558.14
Slaugham	171.01	199.52	228.02	256.52	313.52	370.53	427.53	513.04
Turners Hill	204.61	238.71	272.81	306.91	375.11	443.31	511.52	613.82
Twineham	160.32	187.04	213.76	240.48	293.92	347.36	400.80	480.96
West Hoathly	174.92	204.07	233.23	262.38	320.69	378.99	437.30	524.76
Worth	162.17	189.19	216.22	243.25	297.31	351.36	405.42	486.50

being the amounts given by multiplying the amounts at as set out in Table 3 Section 7 of this report by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3.3.4 That it be noted that for the year 2022/23, West Sussex County Council have stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:

Valuation band	£	Valuation band	£
band A	1,037.16	band E	1,901.46
band B	1,210.02	band F	2,247.18
band C	1,382.88	band G	2,592.90
band D	1,555.74	band H	3,111.48

3.3.5 That it be noted that for the year 2022/23 the Sussex Police and Crime Commissioner have stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, as amended by the Police Reform and Social Responsibility Act 2011, for each of the categories of dwellings shown below:

Valuation band	£	Valuation band	£
band A	149.94	band E	274.89
band B	174.93	band F	324.87
band C	199.92	band G	374.85
band D	224.91	band H	449.82

3.3.6 That, having calculated the aggregate in each case of the amounts as at 3.3.3(g), 3.3.4 and 3.3.5 above, the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwellings shown below:

Parish area	band A	band B	band C	band D	band E	band F	band G	band H
	£	£	£	£	£	£	£	£
Albourne	1,339.27	1,562.48	1,785.69	2,008.90	2,455.32	2,901.74	3,348.17	4,017.80
Ansty & Staplefield	1,358.82	1,585.29	1,811.76	2,038.23	2,491.17	2,944.11	3,397.05	4,076.46
Ardingly	1,386.97	1,618.13	1,849.29	2,080.45	2,542.77	3,005.09	3,467.42	4,160.90
Ashurst Wood	1,368.71	1,596.83	1,824.95	2,053.07	2,509.31	2,965.55	3,421.78	4,106.14
Balcombe	1,366.19	1,593.88	1,821.58	2,049.28	2,504.68	2,960.07	3,415.47	4,098.56
Bolney	1,348.76	1,573.55	1,798.35	2,023.14	2,472.73	2,922.31	3,371.90	4,046.28
Burgess Hill	1,357.55	1,583.81	1,810.07	2,036.33	2,488.85	2,941.37	3,393.88	4,072.66
Cuckfield	1,402.86	1,636.67	1,870.48	2,104.29	2,571.91	3,039.53	3,507.15	4,208.58
East Grinstead	1,368.90	1,597.05	1,825.20	2,053.35	2,509.65	2,965.95	3,422.25	4,106.70
Fulking	1,353.56	1,579.15	1,804.75	2,030.34	2,481.53	2,932.71	3,383.90	4,060.68
Hassocks	1,364.81	1,592.27	1,819.74	2,047.21	2,502.15	2,957.08	3,412.02	4,094.42
Haywards Heath	1,346.07	1,570.41	1,794.76	2,019.10	2,467.79	2,916.48	3,365.17	4,038.20
Horsted Keynes	1,360.43	1,587.17	1,813.91	2,040.65	2,494.13	2,947.61	3,401.08	4,081.30
Hurstpierpoint & Sayers Common	1,366.07	1,593.74	1,821.42	2,049.10	2,504.46	2,959.81	3,415.17	4,098.20
Lindfield	1,351.34	1,576.56	1,801.79	2,027.01	2,477.46	2,927.90	3,378.35	4,054.02
Lindfield Rural	1,336.87	1,559.68	1,782.49	2,005.30	2,450.92	2,896.54	3,342.17	4,010.60
Newtimber	1,311.05	1,529.55	1,748.06	1,966.57	2,403.59	2,840.60	3,277.62	3,933.14
Poynings	1,342.95	1,566.77	1,790.60	2,014.42	2,462.07	2,909.72	3,357.37	4,028.84
Pyecombe	1,373.15	1,602.00	1,830.86	2,059.72	2,517.44	2,975.15	3,432.87	4,119.44
Slaugham	1,358.11	1,584.47	1,810.82	2,037.17	2,489.87	2,942.58	3,395.28	4,074.34
Turners Hill	1,391.71	1,623.66	1,855.61	2,087.56	2,551.46	3,015.36	3,479.27	4,175.12
Twineham	1,347.42	1,571.99	1,796.56	2,021.13	2,470.27	2,919.41	3,368.55	4,042.26
West Hoathly	1,362.02	1,589.02	1,816.03	2,043.03	2,497.04	2,951.04	3,405.05	4,086.06
Worth	1,349.27	1,574.14	1,799.02	2,023.90	2,473.66	2,923.41	3,373.17	4,047.80

The meeting finished at 9.00 pm

Chairman

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RECOMMENDATIONS FROM CABINET – 21 March 2022

CAPITAL PROGRAMME UPDATE

Summary

1. Cabinet considered four new projects proposed to be added to the Capital Programme for 2022/23.

2. These four projects have been in gestation for some time but were not ready for inclusion in the Corporate Plan 2022/23. Work has since progressed on their costs and financing and all the projects are now ready for Member agreement and inclusion in the capital programme.

Summary of Proposed Variations to the Capital Programme and Revenue Projects 2022/23

3. A summary of the proposed capital variations the 2022/23 programme are summarised in Table 1 below.

Table 1: Capital Programme and Revenue Project Variations 2022/23

	£'000	*Ref*
Capital Projects		
The Orchards - Changing Place Toilet	190	*Para 11-14*
Hickman's Lane Pavilion Renovation	255	*Appendix A*
		Para 15-16
Total Capital Projects Variations	445	
Revenue Projects		
Hill Place Farm SANG- easement Bluebell Railway line	693	*Para 5-8*
Centre of Outdoor Sport (CfOS)	tbc	*Para 9-10*
Total Revenue Projects Variations	693	

4. Taking into account the changes detailed above, the overall effect is an increase to the current programme of Capital and Revenue Projects for 2022/23 of £1,138,000 (of which £693,000 relates to Revenue Projects). The total additional use of General Reserve will be £933,000 and the revised programme total for 2022/23 now stands at £5,266,000.

Recommendations

5. That Council approves:

(i) the variations to the Capital Programme 2022/23 contained in paragraph 3 above in accordance with the Council's Financial Procedure rule B3.

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STANDARDS COMMITTEE ANNUAL REPORT 2021

REPORT OF: TOM CLARK
Contact Officer: Tom Clark, Solicitor, Head of Regulatory Services and Monitoring Officer
Email: tom.clark@midsussex.gov.uk Tel: 01444 477459
Wards Affected: All
Key Decision: No
Report to: Council
Date of meeting Wednesday 30th March 2022 at 7 pm

Purpose of Report

1. To report the work of the Standards Committee in 2021.

Summary

2. The Standards Committee has had a quieter year than in 2020 with 5 matters that went before Standards Committee Panels and 3 matters that were dealt with otherwise. At its meeting in November, the Standards Committee recommended to Council the adoption of the revised LGA Code of Conduct in the light of the comprehensive guidance also published to assist in Members complying with the Code and dealing with any complaints under the Code. The Council adopted the LGA Code of Conduct, which took effect from 1st March 2022, at their January 2022 meeting. Training is being planned on this revised Code of Conduct.

Recommendations

3. **To note the Report.**

Introduction

4. There were 4 Committee meetings in 2021. At the first meeting in January, the Committee considered the possible adoption of the LGA Model Code of Conduct following the Report of the Committee on Standards in Public Life. The Committee were concerned about the approach to Social Media and the lack of any guidance at that stage for the new Code of Conduct. The matter was therefore deferred. At the March meeting, the Annual Report for 2020 was considered. It was noted that in future Annual Reports, matters that did not go to a Standards Panel should be explained. At the July meeting, a new Chairman was elected. Councillor Liz Bennett was agreed as the new Chairman with Town Councillor Chris Ash-Edwards remaining as Vice Chairman. The Committee also looked at the criteria for assessing Code of Conduct complaints and found them satisfactory. At the final meeting of the year, the Committee looked again at the slightly revised LGA Model Code of Conduct alongside the guidance that was now provided and considered whether to recommend this or the revised Code of Conduct adopted at West Sussex County Council. Given the very comprehensive LGA guidance, the Committee felt that the LGA Code of Conduct would serve the Council and indeed Town and Parish Councils in Mid Sussex better at this stage. West Sussex County Council are now also minded to adopt the LGA Code of Conduct.

5. In the early part of 2021, there were 2 complaints involving Social Media. There were then complaints from a Parish Council about the conduct of a Member incurring expenditure before it had been authorised by the Council. There was then a complaint by a member of the Public about the aggressive way a local Councillor had behaved towards her in respect of a matter regarding land ownership and planning enforcement. Finally, there was a complaint about the conduct of Members at a Parish Council meeting in which one member sang a song which was allegedly racist in nature in a modern sense. Further details of these complaints are set out in Appendix 1.

6. There were 3 complaints that were dealt with without reference to the Panel. A member of the Public complained that a Member at a virtual Planning Committee was not on camera during the meeting. This is not a legal requirement, but the Member was advised to ensure they would be on camera at future meetings. There were allegations from one Member about the conduct of other Members at a Council Meeting. The posting from the Member was thought to be inappropriate and a face-to-face meeting was arranged to discuss the use of Social Media. Those Members who had made the complaint were satisfied when this work was reported back to them. At a Parish Council meeting, one Member said that the other Members who opposed his view had behaved aggressively to him. The Minutes of the meeting indicated that the Members had expressed their position firmly, but in a polite and orderly way. There was no possibility of a breach of the Code of Conduct and therefore no reference to a Standards Panel in respect of this complaint.

7. The Pandemic does mean that the Monitoring Officer has not been to Parish Council meetings which have generally been in-person since May 2021. The Standards Committee had their first in-person meeting in November 2021 and have continued to meet always at 6 pm.

Financial Implications

8. None of the complaints required an independent investigation which is quite costly to the District Council.

Risk Management Implications

9. At the Parish Council where allegations of expenditure being wrongly incurred, there was a breakdown in personal relations involving both Members and, at one stage, the Clerk. This generated a lot of work for both the Council itself and for the staff at Mid Sussex. Efforts need to be made to ensure that Councils remember that they are there to serve the Public and not to pursue personal disagreements.

Equality and Customer Service Implications

10. Most of the complaints now come in by email which fulfils the requirement for them to be written. If people need assistance in filing their complaint, this can be given. There is an online form if this is assists.

Sustainability Implications

11. None.

SCHEDULE 1

Cases Considered in 2021

1. Comments were made by one Member about another Member in relation to a matter that was not the business of the District Council. It was concluded that this was a private matter and therefore the Members Code of Conduct did not apply.

2. One Member commented about another Member's Planning Application in polite language. The Standards Panel concluded that the Code of Conduct did apply to this posting given it was talking about a Mid Sussex District Council matter. While they concluded it was not a breach of the Members Code of Conduct, the majority felt that the posting was ill judged.

3. There were complaints from one Member of a Parish Council against another Member of a Parish Council some twelve months after the event that money had been expended without Council authority albeit this had been sought and given retrospectively. The Committee noted an apparent breakdown in relationships at the Parish Council which they had worked hard to repair. The Standards Panel noted that at the time the payments were made, there was no obvious person to authorise these payments and that the Councillor making the payments had made no financial gain. It was unwise for the Member to expose themselves in this way, but there was no finding of a breach of the Code of Conduct.

4. A member of the Public complained about a Councillor allegedly approaching her in an aggressive way about a land ownership/planning issue. The Member should have left the normal enforcement authorities to sort this matter out and not try to do so direct with the member of the Public. There was a potential breach of the Members Code of Conduct, but the Panel noted the Member had acknowledged that his involvement was wrong and had undertaken not to get involved further. They thought this was sufficient.

5. There was a complaint from a Member of a Parish Council against another Parish Councillor who had allegedly sung a racist song while the Parish meeting went into exempt. The Standards Panel accepted the Member who had sung the song had no knowledge of its modern racist connection and had not intended it to be racist. The singing of the song was a potential breach of the Code of Conduct given that it may bring the Councillor into disrepute, but accepted that the Councillor now acknowledged his mistake and had offered a face-to-face apology to the complainant Member. They also noted that the other Councillors had closed down this issue very quickly at the meeting.

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TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2022/23 TO 2024/25

REPORT OF:	Head of Corporate Resources
Contact Officer:	Peter Stuart
	Email: peter.stuart@midsussex.gov.uk Tel: 01444 477315
Wards Affected:	All
Key Decision:	No
Report to:	Council 30 March 2022

Purpose of Report

1. This report sets out the Council's investment and borrowing strategy for the forthcoming three years and reports the counterparty list with which investments may be made. It also sets out the Prudential Limits that provide the parameters for approved future lending and borrowing, including the incidental cost of so doing.

Summary

2. The purchase of the Orchard Shopping Centre head lease in November 2016 necessitated borrowing of £22m from other Local Authorities. The final £5m was repaid last November.

   Lending is restricted to the same counterparties and within the same limits as in the previous strategy approved in March 2021 except for the following amendments already reported:

   (i) Due to the increase in funds available for investment, and the requirement to keep significant liquidity, the Head of Corporate Resources recommends increases in the Council's counterparty investment limits as follows, subject to compliance with the approved ratings:

   - from £4m to £5m for UK banks: HSBC, National Westminster, Barclays, Santander, Handelsbanken, Goldman Sachs International Bank and Close Brothers
   - from £4m to £7m for the Council's banker, currently Lloyds Bank.

   (ii) Add HSBC Environmental, Social and Governance Sterling Liquidity fund to the list of money market fund counterparties.

   In addition, it is proposed to add Standard Chartered Bank to the list of specified investments – this bank is offering sustainable fixed term deposits.

3. This report was considered at a meeting of the Audit Committee of 1st March and supported unanimously without any textual or policy amendments.

Recommendations

4. **Council is recommended to agree:**

   (i) the proposed Treasury Management Strategy Statement (TMSS) for 2022/23 and the following two years,

(ii) the Annual Investment Strategy (AIS) and the Minimum Revenue Provision Statement (MRP) as contained in Sections 4 and 2.3 respectively of the report;
(iii) the proposed amendments to the specified and non-specified investment appendices;
(iv) the Prudential Indicators contained within this report.

Background

5. The Council applies and upholds the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code"). CIPFA has defined Treasury Management as:

   "the management of the organisation'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."

6. The Code requires local authorities to produce an annual Treasury Management Strategy Statement (TMSS), which documents the Council's approach to capital financing and investments for the forthcoming financial year (2022/23) and the following two years. This report fulfils that requirement.

7. In producing the TMSS, The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years. The indicators are established to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

8. Additionally, the Act and its subsequent Investment Guidance require the Council to set out its treasury management strategy for borrowing, and to prepare an Annual Investment Strategy (AIS). The Council's borrowing position is reported in Section 3, with arrangements for making Minimum Revenue Provision (MRP) for repayment of debt explained in Section 2.3. The AIS is contained in Section 4 of this report, and describes the Council's policies for managing its investments, and for giving priority to the security and liquidity of those investments.

9. Statute requires that the AIS, MRP Statement, and Prudential Indicators are approved by full Council before the start of the new financial year.

Policy Context

10. Providing transparency and approval of the strategies contained in this report is an important part of the Council's statutory role. Treasury Management has become increasingly topical given the nature of the world's financial markets in recent years, and Members are expected to have a basic understanding of how the Council uses its reserves and cash flows which are in the stewardship of the Head of Corporate Resources.

Other Options Considered

11. None – this report is statutorily required.

Financial Implications

12. This report has no quantifiable financial implications. Interest payable and interest receivable arising from treasury management operations, and annual revenue provisions for repayment of debt, form part of the revenue budget but are not required to support the provision of services.

Risk Management Implications

13. This report has no specific implications for the risk profile of the Authority.

Equality and Customer Service Implications

14. None.

Other Material Implications

15. None.

Sustainability Implications

16. None.

Background Papers

- Treasury Management Strategy Statement & Annual Investment Strategy 2021/22 to 2023/24 (March 2021)
- Annual Review of Treasury Management 2020-21 (September 2021)
- Review of Treasury Management Activity 1 April – 30 September 2021 (Nov. 2021)
- Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (CIPFA)
- The Prudential Code for Capital Finance in Local Authorities (CIPFA, December 2017)
- MHCLG Investment Guidance and MRP Guidance
- Link Asset Services report template (February 2022)

Treasury Management Strategy Statement & Annual Investment 2022/23 to 2024/25

INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering 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 that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure),and are separate from the day to day treasury management activities.

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long term 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

The aim of this capital strategy is to ensure that all elected members on the full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management reporting

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals:

a. Prudential and treasury indicators and treasury strategy (this report) - the first, and most important report covers:

- 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).

The approval of the Treasury Management Strategy and Annual Investment Strategy is the function of the Council, however the Head of Corporate Resources shall also report to the Audit Committee on treasury management activity performance as follows:

b. 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. The report will be submitted as soon after 30 September as practically possible.

c. 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. The report will be submitted no later than 30 September after the financial year end.

1.2.3 Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit Committee, which may make recommendations regarding any aspects of treasury management policy and practices it considers appropriate in fulfilment of its scrutiny role. Such recommendations, as may be made shall be incorporated within the above named reports and submitted to meetings of the Council for consideration at the next available opportunity. The Council's Scheme of Delegations is set out in Appendix E.

1.3 Treasury Management Strategy for 2022/23

The strategy for 2022/23 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

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;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 **Training**

The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training. This especially applies to Members responsible for scrutiny. Training was supplied to Members by Link Asset Services on the 28th September 2021. The training needs of the treasury management officers at Adur District Council, who provide the shared treasury service to Mid Sussex District Council, are periodically reviewed. Officers attend courses provided by appropriate trainers such as CIPFA and Link Asset Services. These courses have been delivered on-line during the Covid-19 period.

1.5 **External Service Providers**

The Council obtains treasury management services under a Shared Services Arrangement (SSA) from the in-house treasury management team formed out of the partnership working between Adur District and Worthing Borough Councils. The operation for all three Councils' treasury management is based at Worthing Town Hall, utilising similar banking arrangements. The SSA is provided under a Service Level Agreement (SLA) that commenced in October 2019 and which defines the respective roles of the client and provider authorities for a period of three years.

The SSA uses Link Group, Treasury Solutions as its external treasury management advisors. The Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources.

In making this arrangement the Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that reliance beyond the terms and arrangements specified in the SLA is not placed upon the shared service providers. The Council will ensure that the terms of the appointment of the shared services providers, and the methods by which their value will be assessed, are properly agreed and documented and subjected to regular review.

2. THE CAPITAL PRUDENTIAL INDICATORS 2022/23 – 2024/25

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.

2.1 **Capital expenditure**

This Prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. The figures exclude other long term liabilities, such as leasing arrangements which already include borrowing instruments. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
General Fund	11.419	12.368	2.038	1.853	1.096

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital receipts	21.411	3.104	0.243	0.167	0.050
Capital grants, Contributions & S106 receipts	8.326	8.662	1.550	1.556	0.900
General Reserves, Specific Reserves & Revenue Contributions	1.403	0.602	0.245	0.130	0.146
Net financing need for the year	0.000	0.000	0.000	0.000	0.000

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 its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, 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 asset's life and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has one finance lease taken out in 2018 and ending in 2028.

The Council is asked to approve the CFR projections below:

Capital Financing Requirement £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Total CFR at 31/03	7.195	6.661	6.114	5.714	5.307
Movement in CFR	(20.243)	(0.534)	(0.547)	(0.401)	(0.407)
Movement in CFR represented by:					
Net financing need for the year (above)	(19.721)	0.000	0.000	0.000	0.000
Less MRP and other financing movements	(0.522)	(0.534)	(0.547)	(0.401)	(0.407)
Movement in CFR	(20.243)	(0.534)	(0.547)	(0.401)	(0.407)

2.3 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). Repayments included in finance leases are applied as MRP.

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

The Council's policy for MRP relating to unfunded capital expenditure is to provide for MRP on an annuity basis over the life of the loans (except as detailed below for the Orchard Shopping Centre). As an annuity is a fixed annual sum comprising interest and principal, the MRP for repayment of debt will increase each year over the asset life as the proportion of interest calculated on the principal outstanding reduces as the debt is repaid.

The purchase of the Orchard Shopping Centre head lease in November 2016 increased the Capital Financing Requirement. However, due to capital receipts on Hurst Farm, MRP will only be provided on £5m. This will be done on a level basis of £100,000 per year.

2.4 **Funds available for investment**

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances excluding the investment in the Local Authorities' Property Fund, which the Council views as a long term investment.

Investments	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£m	£m	£m	£m
Balance at 1 April	45.265	45.376	44.384	42.327
Capital Expenditure	(12.368)	(2.038)	(1.853)	(1.096)
Grants, capital receipts & other new funds	12.913	2.038	1.853	1.096
Use of General Fund Reserves		(0.545)	(1.757)	(1.692)
Loan repayments/adjustments	(0.434)	(0.447)	(0.300)	(0.307)
Balance at 31 March	45.376	44.384	42.327	40.328

3.0 BORROWING

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 the relevant professional codes, so that sufficient cash is available to meet the 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 portfolio position**

The overall treasury management portfolio as at 31 March 2021 and for the position as at 31 December 2021 are shown below for both borrowing and investments.

	Principal at 31.03.2021 £m	Actual 31.03.2021 %	Principal at 31.12.2021 £m	Actual 31.12.2021 %
External Borrowing				
PWLB	(0.298)	4%	(0.227)	10%
Other Borrowing	(5.000)	66%	-	-
Finance lease	(2.258)	30%	(2.043)	90%
TOTAL BORROWING	**(7.556)**	100%	**(2.270)**	100%
Treasury Investments:				
Local Authority Property Fund	5.689	9%	6.000	6%
In-house:				
Banks	16.035	26%	23.246	26%
Building societies - unrated	19.000	30%	19.000	20%
Building societies - rated	5.000	8%	20.000	22%
Debt Management Office			5.000	5%
Local authorities	2.000	3%	8.000	9%
Money market funds	15.000	24%	11.470	12%
TOTAL INVESTMENTS	**62.724**	100%	**92.716**	100%
NET INVESTMENTS	**55.168**		**90.446**	

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

External Debt £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt at 1 April	7.437	5.298	0.152	0.000	0.000
Expected change in Debt	(2.139)	(5.146)	(0.152)	(0.000)	0.000
Other long-term liabilities (OLTL)	2.541	2.258	1.970	1.676	1.375
Expected change in OLTL	(0.283)	(0.288)	(0.294)	(0.301)	(0.306)
Actual gross debt at 31 March	7.556	2.122	1.676	1.375	1.069
The Capital Financing Requirement	7.195	6.661	6.114	5.714	5.307
Under/(over) borrowing	(0.361)	4.539	4.438	4.339	4.238

The Council's debt comprises one loan from the Public Works Loan Board (PWLB), which matures on 1 March 2023. The "other long term liability" is in respect of capital assets acquired by finance leases.

Within the range of 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 2022/23 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 Head of Corporate Resources 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 report.

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

The operational boundary - This is the limit 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	2021/22	2022/23	2023/24	2024/25
	£m	**£m**	**£m**	**£m**
Debt	£28.0m	£28.0m	£28.0m	£28.0m
Other long term liabilities	£4.0m	£4.0m	£4.0m	£4.0m
Total	**£32.0m**	**£32.0m**	**£32.0m**	**£32.0m**

The authorised limit for external debt – This is a key Prudential Indicator and represents a control on the maximum level of borrowing. This represents a legal 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.

1. The Council is asked to approve the authorised limit:

Authorised Limit	2021/22	2022/23	2023/24	2024/25
	£m	**£m**	**£m**	**£m**
Debt	£30.0m	£30.0m	£30.0m	£30.0m
Other long term liabilities	£4.0m	£4.0m	£4.0m	£4.0m
Total	**£34.0m**	**£34.0m**	**£34.0m**	**£34.0m**

2. 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 councils' plans, or those of a specific council, although this power has not yet been exercised.

The Head of Corporate Resources has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Council at the earliest opportunity.

3.3 Prospects for interest rates

The Council's shared service provider uses Link Group as its treasury advisor. Link has provided the following forecast for the certainty interest rate (gilt yield plus 80bps):

Link Group Interest Rate View as at 7.2.22										Capital Economics forecasts as at 10.2.22			
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021, then again in February to 0.50%.
As shown in the forecast table above, the forecast for Bank Rate now includes three further increases in the financial year 2022/23.
Additional information about the economic background is contained in Appendix F.

Forecasts for PWLB rates and gilt and treasury yields
Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on our gilt yields. **As an average since 2011, there has been a 75% correlation between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant <u>UPWARD RISK</u> exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

A new era – a fundamental shift in central bank monetary policy
One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going <u>above</u> a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on 'achieving broad and inclusive "maximum" employment in its entirety' in the US, before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be 'sustainably over 2%' before starting on raising Bank Rate and the ECB now has a similar policy.

- ***For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.***
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the other hand, higher levels of inflation will help to erode the real value of total public debt.

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.

- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.

- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -.

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

  Borrowing for capital expenditure As Link's long-term (beyond 10 years) forecast for Bank Rate is 2.00%. As nearly all PWLB certainty rates are now above this level, borrowing strategy will need to be reviewed, especially as the maturity curve has flattened out considerably. Better value can be obtained at the very short and at the longer end of the curve and longer-term rates are still at historically low levels. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio. In addition, there are also some cheap alternative sources of long-term borrowing if a client is seeking to avoid a "cost of carry" but also wishes to mitigate future re-financing risk.

- This authority does not plan any borrowing to finance new capital expenditure, or to replace maturing debt. If borrowing **is** undertaken there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new short or medium-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

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.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Head of Corporate Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there is a significant risk of a sharp FALL in borrowing rates, then borrowing, if required, will be postponed.

- if it was felt that there is a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration 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. As stated, there are no current plans to borrow, but if this changes, it is most likely that 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 **Policy on borrowing in advance of need**

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism

3.6 **Debt rescheduling**

The Council has one loan from the Public Works Loan Board, repaid by fixed annuities over the life of the loan. As it would not be possible to prematurely repay the existing loan without incurring a premium charge for early settlement, there is currently no intention to redeem the loan early.

3.7 **New financial institutions as a source of borrowing and / or types of borrowing**

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for borrowing. However, if borrowing is required, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources if any borrowing is required.

4.0 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The Head of Corporate Resources, under delegated powers, will undertake through the Shared Service Arrangement the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements, and Prudential Indicators. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options. As conditions in the financial markets remain uncertain, the proposed Specified and Unspecified investments will remaing the same as for 2021/22 except for:

- an increase in counterparty limits from £4m to £5m for UK banks: HSBC, National Westminster, Barclays, Santander, Handelsbanken, Goldman Sachs International Bank and Close Brothers
- an increase in counterparty limit from £4m to £7m for the Council's banker, currently Lloyds Bank.
- HSBC Environmental, Social and Governance Sterling Liquidity fund has been added to the list of money market fund counterparties
- the addition of Standard Chartered Bank to the list of specified investments – this bank is offering sustainable fixed term deposits

Investment instruments identified for use in the financial year are listed in Appendices C and D under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

2. **Other information:** 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.

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

4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendices C and D under the categories of 'specified' and 'non-specified' investments.

   - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
   - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Lending limits**, (amounts and maturity), for each counterparty are set out in Appendices C and D.

6. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 4.8).

7. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.5). The UK is excluded from this limit because it will be necessary to invest in UK banks and other institutions even if the sovereign rating is cut.

8. Through the shared service, this authority has access to **external consultants**, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

9. All investments will be denominated in **sterling**.

10. As a result of the change in accounting standards for 2022/23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Consequently any fluctuations in the value of the Council's investment in the Local Authorities' Property Fund will not be taken through the general fund for the period of the override.

    However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.14). Regular monitoring of investment performance will be carried out during the year.

    Changes in risk management policy from last year

    The above criteria are unchanged from last year other than the changes set out in 4.1.

4.2 Creditworthiness policy

The primary principle governing the Council's investment criteria through the Shared Services Arrangement (SSA) is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the SSA 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 in Appendices C and D; 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 SSA will maintain a counterparty list in compliance with the criteria in the Appendices 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 to the SSA by the Link Group, 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 the SSA almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

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 rely 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 will be applied to compare the relative security of differing investment opportunities.

The officers of the shared service recognise that ratings should not be the sole determinant of the quality of an institution and that 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, the government support for banks, and the credit ratings of that government support. Accordingly, the shared service will exercise discretion to deviate from Link's suggested durational bands – for example the Council approves the use of Building Societies as set out in the Appendices.

4.3 Creditworthiness

Significant levels of downgrades to short- and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

CDS prices
Although bank CDS prices (these are market indicators of credit risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

4.4 **The Council's Minimum Investment Creditworthiness Criteria**

The minimum credit ratings criteria used by the Council generally will be a short term rating (Fitch or equivalents) of F1, and long term rating A-. There may be occasions when the counterparty ratings from one or more of the three Ratings Agencies are marginally lower than the minimum requirements of F1 Short term, A- Long term (or equivalent). Where this arises, the counterparties to which the ratings apply may still be used with discretion, but in these instances consideration will be given to the whole range of topical market information available, not just ratings.

The Council includes **Building Societies** with asset size in excess of £1 billion in its approved counterparty list. It is recognised that they may carry a lower credit rating than the Council's other counterparties, or no rating, therefore the lending limits for the building societies shall be £4m each for the top 3 and £3m for the others.

4.5 **Other limits**

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors. The shared service has determined that it will only use approved counterparties from countries (other than the UK) with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide one). The list of countries that qualify using these credit criteria as at the date of this report is reflected in the counterparty approved lending list at Appendix C. This list will be added to, or deducted from, by officers should ratings change, in accordance with this policy. No more than 25% of investments shall be placed in non-UK financial institutions for more than 7 days.

4.6 **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). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed. For cash flow balances, the shared service will seek to use notice accounts, money market funds and short-dated deposits to benefit from the compounding of interest

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.

- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

The Head of Corporate Resources, through the shared service, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the meetings of the Audit Committee and the Council in accordance with the reporting arrangements. The shared service will take into account the ethical, social or climate change policies of counterparties.

Investment returns expectations

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to reach 1.25% in November 2022. Since the last Bank of England rate increase announced by the MPC in February, improved forecast rates have been received from Link on 11th February, which was after the Corporate Plan was approved.

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.:

Average earnings in each year	
2022/23	1.00%
2023/24	1.25%
2024/25	1.25%
2025/26	1.25%
Long term later years	1.50%

4.7 **Forecasts for Bank Rate**

- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no-deal Brexit.
- Covid remains a major potential downside threat as we are most likely to get further mutations. However, their severity and impact could vary widely, depending on vaccine effectiveness and how broadly it is administered.

In summary, with the high level of uncertainty prevailing on several different fronts, we expect to have to revise our forecasts again - in line with whatever the new news is.

4.8 **Investment treasury indicator and limit - 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. There are currently 3 fixed term deposit investments with a remaining duration of more than 365 days, totalling £6m and the Local Authorities' Property Fund investment of £6m is expected to be held for more than 365 days.

The Council is asked to approve the following treasury indicator limit: -

Maximum proportion of principal sums invested > 365 days	2022/23	2023/24	2024/25
Principal sums invested > 365 days	50%	50%	50%

4.9 In any sustained period of significant stress in the financial markets, the default position is for investments to be placed with The Debt Management Account Deposit Facility of the Debt Management Office (DMO) of the UK central government. The rates of interest are usually below equivalent money market rates, however, the returns are an acceptable trade-off for the guarantee that the Council's capital is secure.

4.10 The Council's proposed investment activity for placing cash deposits in 2022/23 will be to use:

- AAA rated Money Market Funds with a Constant Net Asset Value (CNAV) or a Low Volatility Net Asset Value (LVNAV) under the new money market fund regulations

- other local authorities, parish councils etc.

- bank business reserve accounts and term deposits. These are primarily restricted to UK institutions that are rated at least A- long term.

- Building Societies with asset size in excess of £1 billion

4.11 **Other Options for Longer Term Investments**

To provide the Council with options to enhance returns above those available for short term durations, it is proposed to retain the option to use the following for longer term investments, as an alternative to cash deposits:

a) **Supranational bonds** greater than 1 year to maturity

b) **Gilt edged securities** with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.

c) **Building Societies** not meeting the basic security requirements under the specified investments, but on the list in Appendix C (b). The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings.

d) Any **bank** that has a minimum long term credit rating of A- for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).

e) Any **non-rated subsidiary** of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to a guarantee from the parent company, and exposure up to the limit applicable to the parent.

g) **Property Investment Funds** for example the Local Authorities' Property Fund. The Councils will consult the Treasury Management Advisors and undertake appropriate due diligence before investment of this type is undertaken. Some of these funds are deemed capital expenditure – the Councils will seek guidance on the status of any fund considered for investment.

h) Other **local authorities**, parish councils etc.

i) Other investments listed in Appendices C and D - the Council will seek further advice on the appropriateness and associated risks with investments in these other categories as and when an opportunity presents itself.

4.12 The **accounting treatment** may differ from the underlying cash transactions arising from investment decisions made by the Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, the accounting implications of new transactions will be reviewed before they are undertaken.

4.13 The Council will not transact in any investment that may be deemed to constitute capital expenditure (e.g. Share Capital, or pooled investment funds other than Money Market Funds), without the resource implications being approved as part of the consideration of the Capital Programme or other appropriate Committee report.

4.14 **Investment risk benchmarking** – The shared service will subscribe to Link's Investment Benchmarking Club to review the investment performance and risk of the portfolios.

4.15 At the end of the financial year the Council will report on investment activity as part of the **Annual**

Treasury Report.

4.16 **External fund managers**
The Council does not use external fund managers, (other than the Local Authorities' Property Fund) but reserves the option to do so in future should this be deemed to be appropriate. Should consideration be given to exercising this option in the future, the relevant Committee will be advised of the reasons for doing so and the Council requested to consider whether it wishes to proceed with the selection and appointment of external fund managers.

4.17 **The monitoring of investment counterparties –** The credit rating of counterparties will be monitored regularly. The shared service receives credit rating information (changes, rating watches and rating outlooks) from Link Group as and whent ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the shared service, and if required, new counterparties which meet the criteria will be added to the list.

Officers of the shared service and Mid Sussex met in October 2021 (remotely) with representatives of the Local Authorities' Property Fund for a presentation on the activity and outlook of the Fund to supplement the regular reports and dividend statements.

5. OTHER MATTERS

5.1 2021 revised CIPFA Treasury Management Code and Prudential Code – changes which will impact on future TMSS/AIS reports and the risk management framework

CIPFA published the revised codes on 20th December 2021 and has stated that formal adoption is not required until the 2023/24 financial year. The Councils have to have regard to these codes of practice when they prepare the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to the Full Councils for approval.

The revised codes will have the following implications:

· a requirement for the Councils to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;

· clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;

· address Environmental Social and Governance issues within the Capital Strategy;

· require implementation of a policy to review commercial property, with a view to divest where appropriate;

· create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices);

· ensure that any long term treasury investment is supported by a business model;

· a requirement to effectively manage liquidity and longer term cash flow requirements;

· amendment to the Treasury Management Practices to address Environmental, Social and Governance policy within the treasury management risk framework;

· amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council;

- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

In addition, all investments and investment income must be attributed to one of the following three purposes: -

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

Members will be updated on how all these changes will impact our current approach and any changes required will be formally adopted within the 2023/24 TMSS report.

5.2 **Balanced budget requirement** - the Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

Appendix A

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2021/22 – 2023/24

1.1 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.

Capital expenditure	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m	£m
General Fund	11.419	12.368	2.038	1.853	1.096

1.2 **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:

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.

	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	%	%	%	%	%
Ratio	1.52%	1.37%	0.67%	-0.74%	-1.20%

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

1.3 **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. However as the Council currently has only two significant loans, the upper limits need to be set very high. The Council does not have any variable rate borrowing.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2022/23		
	Lower	Upper
Under 12 months	0%	80%
12 months to 2 years	0%	70%
2 years to 5 years	0%	80%

5 years to 10 years	0%	80%
Over 10 years	0%	60%

Appendix B

TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The MHCLG (now DLUHC) issued Investment Guidance in 2018, 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, which will apply to all investment activity. In accordance with the Code, the Council will comply with the 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 the annual treasury strategy for the following year, covering the identification and approval of the 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.

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

SPECIFIED AND NON SPECIFIED INVESTMENTS

A variety of investment instruments will be used , subject to the credit quality of the institution and, depending on the trype of investment made, it will fall into one the categories below.

Specified Investments will be those that meet the criteria in the MHCLG Guidance, i.e. the investment

- is sterling denominated

- has a maximum maturity of 1 year or where the Council has the right to be repaid within 12 months or where the investment would have been classified as specified apart from originally being for a period longer than 12 months, once the remaining period to maturity falls to under 12 months

- meets the "high" credit criteria as determined by the Council or is made with the UK government or is made with a local authority in England, Wales and Scotland

- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

These are considered low risk assets where the possibility of loss of principal or investment income is small.

"Specified" Investments identified for the Council's use are:

- The UK Government such as the Debt Management Account Deposit Facility – there is no limit for these investments.
- Deposits with UK local authorities
- Deposits with banks and building societies
- *Certificates of deposit with banks and building societies
- *Gilts : (bonds issued by the UK government)
- *Bonds issued by multilateral development banks
- Pooled investment vehicles such as AAA Money Market Funds with a Constant Net Asset Value (Constant NAV) or appropriate Low Volatility Net Asset Value (LVNAV) that have been awarded an AAA rating by Standard and Poor's, Moody's and/or Fitch rating agencies.
- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

* Investments in these instruments will be on advice from the Shared Service's treasury advisor.

Non Specified Investments

These are any investments which do not meet the specified investment criteria. Where appropriate, the Council will seek further advice on the associated risks with non-specified investments.

All Investments

For credit rated counterparties, the minimum criteria, excepting for the Council's own banker and the specified building societies, (see below) will be the short-term / long-term ratings assigned by various agencies which may include Moody's Investors Services, Standard and Poor's, Fitch Ratings, being:

Long-term investments (over 365 days): minimum: A- (Fitch) or equivalent
Or
Short-term investments (365 days or less): minimum: F1 (Fitch) or equivalent

For all investments the Shared Service will also take into account information on corporate developments of, and market sentiment towards, investment counterparties.

If the Council's own banker (currently Lloyds Bank) falls beneath the specified criteria, it will still be used for transactional purposes.

Where appropriate the Ring Fenced entities of banks will be used.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies, as detailed below.

APPENDIX C

APPROVED INVESTMENT INSTITUTIONS

Specified Investments identified for use by the Council

New specified investments will be made within the following limits:

(a) Banks

Major U.K. and European Banks and their wholly-owned subsidiaries meeting the Council's approved investment criteria. RFB refers to Ring Fenced Bank – the separate core retail banking service.

	Counterparty	Group	Maximum Sum	Maximum Period *
	DMADF, DMO (Government)	N/A	No limit	
1	HSBC UK Bank PLC (RFB)	N/A	£5m	5 years
2	NatWest/ Royal Bank of Scotland Group (RFB)	£5m	£5m	5 years
3	Lloyds/ Bank of Scotland Group (RFB)	£7m	£7m	5 years
4	Barclays Bank UK PLC (RFB)	N/A	£5m	5 years
5	Santander UK PLC	N/A	£5m	5 years
6	Clydesdale Bank PLC	N/A	£4m	5 years
7	Handelsbanken PLC	N/A	£5m	1 year
8	Goldman Sachs International Bank	N/A	£5m	5 years
9	Close Brothers Ltd	N/A	£5m	5 years
10	Standard Chartered Bank	N/A	£4m	5 years

*Specified investments are for a maximum period of 1 year, the maximum limits shown in this column are for non-specified investments with these institutions.

(b) Building Societies

Building Societies (Assets in excess of £1 billion):

Rank	Name of Counterparty	Individual	
		Sum	Period*
1	Nationwide	£4m	3 years
2	Coventry	£4m	3 years
3	Yorkshire	£4m	3 years
4	Skipton	£3m	3 years
5	Leeds	£3m	3 years
6	Principality	£3m	3 years
7	West Bromwich	£3m	3 years
8	Newcastle	£3m	3 years
9	Nottingham	£3m	3 years
10	Cumberland	£3m	3 years
11	National Counties (Family)	£3m	3 years
12	Progressive	£3m	3 years
13	Cambridge	£3m	3 years
14	Monmouthshire	£3m	3 years
15	Newbury	£3m	3 years
16	Saffron	£3m	3 years
17	Leek United	£3m	3 years

(c) Money Market Funds

Counterparty	Sum	
Invesco Aim – Sterling	£3m	For Short Term Operational Cash Flow Purposes
Blackrock Institutional Sterling Liquidity Fund	£3m	
Goldman Sachs Sterling Liquidity Reserve Fund	£3m	
HSBC Global Liquidity Fund	£3m	
Fidelity Institutional Cash Fund plc – Sterling	£3m	
CCLA Public Sector Deposit Fund	£3m	
JP Morgan GBP Liquidity LVNAV Fund	£3m	
Federated Short-Term Sterling Prime Liquidity Fund	£3m	

The limit for investing in any one Money Market Fund is £3 million. Total investments in Money Market Funds shall not exceed the higher of £9m or 25% of the total investment portfolio, for more than one week at any one time.

(d) Local Authorities

Details	Individual	
	Sum	Period*
All Local Authorities	£3m	5 years

*Specified investments are for a maximum period of 1 year, the maximum period limits shown in (b) and (d) are for non-specified investments with these institutions.

APPENDIX D

NON-SPECIFIED INVESTMENTS DETERMINED FOR USE BY THE COUNCIL

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use.

	In-house use	Use by Fund Managers	Maximum Maturity	Maximum % of portfolio or £m	Capital Expenditure?
• Deposits with banks and building societies • Certificates of deposit with banks and building societies	√ √	 √	5 years	The higher of £10m or 50% of funds	No
• Deposits with Local Authorities	√		5 years	The higher of £10m or 50% of funds	No
Gilts and Bonds: • Gilts • Bonds issued by multilateral development banks • Bonds issued by financial institutions guaranteed by the UK government • Sterling denominated bonds by non-UK sovereign governments	√ √ √ √ (on advice from treasury advisor)	√ √ √ √	5 years	The higher of £3m or 25% of funds	No
Money Market Funds and Collective Investment Schemes (pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No. 534 and SI 2007, No. 573), but which are not credit rated.	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date.	The higher of £9m or 25% of funds	No
Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Subject to test
Property Funds approved by HM Treasury and operated by managers regulated by the Financial Conduct Authority – specifically the Local Authorities' Property Fund	√	√	These funds do not have a defined maturity date.	The higher of £6m or 25% of funds	No
Non-guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies	√ (on advice from treasury advisor)	√	5 years	The higher of £2m or 10% of funds	Subject to test
Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No. 534 or SI 2007, No. 573.	√ (on advice from treasury advisor)	√	These funds do not have a defined maturity date	The higher of £2m or 20% of funds	Subject to test

In determining the period to maturity of an investment, the investment is regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.

The Council will seek further advice on the appropriateness and associated risks with investments in these Non-Specified investment categories, other than those which would be Specified other than for the duration of over 12 months (for example a 2 year fixed term deposits with a bank on the counterparty list).

Accounting treatment of investments

The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council's Shared Service receives credit rating information (changes, rating watches and rating outlooks) from Link as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Shared Service, and if required new counterparties which meet the criteria will be added to the list.

APPENDIX E

TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) **Full Council**

- approval of annual treasury management strategy and Annual Investment Strategy
- approval of MRP Statement

(ii) **Executive Committee (e.g. Cabinet)**

- 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
- approving the selection of external service providers and agreeing terms of appointment.

(iii) **Audit Committee**

Receiving and reviewing the following, and making recommendations to the Cabinet

- regular monitoring reports on compliance with the Treasury Management Strategy, practices and procedures.

(iv) **The S151 (responsible) officer**

- 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
- recommending the appointment of external service providers.

APPENDIX F

ECONOMIC BACKGROUND supplied by Link Group

- **COVID-19 vaccines.** These were the game changer during 2021 which raised high hopes that life in the UK would be able to largely return to normal in the second half of the year. However, the bursting onto the scene of the Omicron mutation at the end of November, rendered the initial two doses of all vaccines largely ineffective in preventing infection. This has dashed such hopes and raises the spectre again that a fourth wave of the virus could overwhelm hospitals in early 2022. What we now know is that this mutation is very fast spreading with the potential for total case numbers to double every two to three days, although it possibly may not cause so much severe illness as previous mutations. Rather than go for full lockdowns which heavily damage the economy, the government strategy this time is focusing on getting as many people as possible to have a third (booster) vaccination after three months from the previous last injection, as a booster has been shown to restore a high percentage of immunity to Omicron to those who have had two vaccinations. There is now a race on between how quickly boosters can be given to limit the spread of Omicron, and how quickly will hospitals fill up and potentially be unable to cope. In the meantime, workers have been requested to work from home and restrictions have been placed on large indoor gatherings and hospitality venues. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in sectors like restaurants, travel, tourism and hotels which had been hit hard during 2021, but could now be hit hard again by either, or both, of government restrictions and/or consumer reluctance to leave home. Growth will also be lower due to people being ill and not working, similar to the pingdemic in July. The economy, therefore, faces significant headwinds although some sectors have learned how to cope well with Covid. However, the biggest impact on growth would come from another lockdown if that happened. The big question still remains as to whether any further mutations of this virus could develop which render all current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread until tweaked vaccines become widely available.

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- The threat from Omicron was a wild card causing huge national concern at the time of December's MPC meeting; now it is seen as a vanquished foe disappearing in the rear-view mirror.
- The MPC shifted up a gear last week in raising Bank Rate by another 0.25% and narrowly avoiding making it a 0.50% increase by a 5-4 voting margin.
- Our forecast now expects the MPC to deliver another 0.25% increase in March; their position appears to be to go for sharp increases to get the job done and dusted.
- The March increase is likely to be followed by an increase to 1.0% in May and then to 1.25% in November.
- The MPC is currently much more heavily focused on combating inflation than on protecting economic growth.
- However, 54% energy cap cost increases from April, together with 1.25% extra employee national insurance, food inflation around 5% and council tax likely to rise in the region of 5% too - these increases are going to hit lower income families hard despite some limited assistance from the Chancellor to postpone the full impact of rising energy costs.
- Consumers are estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above increases. But most of those holdings are held by more affluent people whereas poorer people already spend nearly all their income before these increases hit and have few financial reserves.
- The increases are already highly disinflationary; inflation will also be on a gradual path down after April so that raises a question as to whether the MPC may shift into protecting economic growth by November, i.e., it is more debatable as to whether they will deliver another increase then.

- The BIG ISSUE – will the current spike in inflation lead to a second-round effect in terms of labour demanding higher wages, (and/or lots of people getting higher wages by changing job)?
- If the labour market remains very tight during 2022, then wage inflation poses a greater threat to overall inflation being higher for longer, and the MPC may then feel it needs to take more action.

PWLB RATES

- The yield curve has flattened out considerably.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate.
- It is difficult to say currently what effect the Bank of England starting to sell gilts will have on gilt yields once Bank Rate rises to 1%: it is likely to act cautiously as it has already started on not refinancing maturing debt. A passive process of not refinancing maturing debt could begin in March when the 4% 2022 gilt matures; the Bank owns £25bn of this issuance. A pure roll-off of the £875bn gilt portfolio by not refinancing bonds as they mature, would see the holdings fall to about £415bn by 2031, which would be about equal to the Bank's pre-pandemic holding. Last August, the Bank said it would not actively sell gilts until the *"Bank Rate had risen to at least 1%"* and, *"depending on economic circumstances at the time."*
- It is possible that Bank Rate will not rise above 1% as the MPC could shift to relying on quantitative tightening (QT) to do the further work of taking steam out of the economy and reducing inflationary pressures.
- Increases in US treasury yields over the next few years could add upside pressure on gilt yields though, more recently, gilts have been much more correlated to movements in bund yields than treasury yields.

MPC MEETING 4TH FEBRUARY 2022

- After the Bank of England became the first major western central bank to put interest rates up in this upswing in December, it has quickly followed up its first 0.15% rise by another 0.25% rise to 0.50%, in the second of what is very likely to be a series of increases during 2022.
- The Monetary Policy Committee voted by a majority of 5-4 to increase Bank Rate by 25bps to 0.5% with the minority preferring to increase Bank Rate by 50bps to 0.75%. The Committee also voted unanimously for the following: -
    - to reduce the £875n stock of UK government bond purchases, financed by the issuance of central bank reserves, by ceasing to reinvest maturing assets.
    - to begin to reduce the £20bn stock of sterling non-financial investment-grade corporate bond purchases by ceasing to reinvest maturing assets and by a programme of corporate bond sales to be completed no earlier than towards the end of 2023.
- The Bank again sharply increased its forecast for inflation – to now reach a peak of 7.25% in April, well above its 2% target.
- The Bank estimated that UK GDP rose by 1.1% in quarter 4 of 2021 but, because of the effect of Omicron, GDP would be flat in quarter 1, but with the economy recovering during February and March. Due to the hit to households' real incomes from higher inflation, it revised down its GDP growth forecast for 2022 from 3.75% to 3.25%.
- The Bank is concerned at how tight the labour market is with vacancies at near record levels and a general shortage of workers - who are in a very favourable position to increase earnings by changing job.
- As in the December 2021 MPC meeting, the MPC was more concerned with combating inflation over the medium term than supporting economic growth in the short term. However, what was notable was the Bank's forecast for inflation: based on the markets' expectations that Bank Rate will rise to 1.50% by mid-2023, it forecast inflation to be only 1.6% in three years' time. In addition, if energy prices beyond the next six months fell as the futures market suggests, the Bank said CPI inflation in three years' time would be even lower at 1.25%. With calculations of inflation, the key point to keep in mind is that it is the rate of change in prices – not the level – that matters. Accordingly, even if oil and natural gas prices remain flat at their current elevated level, energy's contribution to headline inflation will drop back over the course of this year. That means the current energy contribution to CPI inflation, of 2% to 3%, will gradually fade over the next year.

- So the message to take away from the Bank's forecast is that they do not expect Bank Rate to rise to 1.5% in order to hit their target of CPI inflation of 2%. The immediate issue is with four members having voted for a 0.50% increase in February, it would only take one member more for there to be another 0.25% increase at the March meeting.

- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative tightening) holdings of bonds is as follows: -
    1. Raising Bank Rate as "the active instrument in most circumstances".
    2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
    3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
    4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

OUR FORECASTS

a. Bank Rate

- Covid remains a major potential downside threat as we are most likely to get further mutations. However, their severity and impact could vary widely, depending on vaccine effectiveness and how broadly it is administered.
- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no-deal Brexit.

In summary, with the high level of uncertainty prevailing on several different fronts, we expect to have to revise our forecasts again - in line with whatever the new news is.

b. PWLB rates and gilt and treasury yields

Gilt yields. Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. Our forecasts show little overall increase in gilt yields during the forecast period to March 2025 but there will doubtless be a lot of unpredictable volatility during this forecast period.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on gilt yields. **As an average since 2011, there has been a 75% correlation between movements in US 10-year treasury yields and UK 10-year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for medium to longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.**

US treasury yields. During the first part of 2021, US President Biden's, and the Democratic party's, determination to push through a $1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. This was in addition to the $900bn support package previously passed in December 2020. Financial markets were alarmed that all this stimulus was happening at a time when: -

1. A fast vaccination programme roll-out had enabled a rapid opening up of the economy during 2021.
2. The economy was growing strongly during the first half of 2021 although it has weakened during the second half.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing substantial stimulus through monthly QE purchases during 2021.

It was not much of a surprise that a combination of these factors would eventually cause an excess of demand in the economy which generated strong inflationary pressures. This has eventually been recognised by the Fed at its recent December meeting with an aggressive response to damp inflation down during 2022 and 2023.

- **At its 3rd November Fed meeting**, the Fed decided to make a start on tapering its $120bn per month of QE purchases so that they ended next June. However, at its **15th December meeting** it doubled the pace of tapering so that they will end all purchases in February. These purchases are currently acting as downward pressure on treasury yields and so it would be expected that treasury yields will rise over the taper period, all other things being equal.

- It also forecast that it expected there would be three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024. This would take rates back above 2% to a neutral level for monetary policy. It also gave up on calling the sharp rise in inflation as being 'transitory'.

- At its **26th January meeting**, the Fed became even more hawkish following inflation rising sharply even further. It indicated that rates would begin to rise very soon, i.e., it implied at its March meeting it would increase rates and start to run down its holdings of QE purchases. It also appears likely that the Fed could take action to force longer term treasury yields up by prioritising selling holdings of its longer bonds as yields at this end have been stubbornly low despite rising inflation risks. The low level of longer dated yields is a particular concern for the Fed because it is a key channel through which tighter monetary policy is meant to transmit to broader financial conditions, particularly in the US where long rates are a key driver of household and corporate borrowing costs.

There are also possible **DOWNSIDE RISKS** from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to monitor.

Globally, our views are as follows: -

- **EU.** The ECB joined with the Fed by announcing on **16th December** that it will be reducing its QE purchases - by half from October 2022, i.e., it will still be providing significant stimulus via QE purchases during the first half of 2022. The ECB did not change its rate at its **3rd February** meeting, but it was clearly shocked by the increase in inflation to 5.1% in January. The President of the ECB, Christine Lagarde, hinted in the press conference after the meeting that the ECB may accelerate monetary tightening before long and she hinted that asset purchases could be reduced more quickly than implied by the previous guidance. She also refused to reaffirm officials' previous assessment that interest rate hikes in 2022 are "very unlikely". It, therefore, now looks likely that all three major western central banks will be raising rates this year in the face of sharp increases in inflation - which is looking increasingly likely to be stubbornly high and for much longer than the previous oft repeated 'transitory' descriptions implied.

- **China.** The pace of economic growth has now fallen back after the initial surge of recovery from the pandemic and China has been struggling to contain the spread of the Delta variant through using sharp local lockdowns - which depress economic growth. However, with Omicron having now spread to China, and being much more easily transmissible, lockdown strategies may not prove so successful in future. To boost flagging economic growth, The People's Bank of China cut its key interest rate in December 2021.

- **Japan.** 2021 was a patchy year in combating Covid. However, recent business surveys indicate that the economy is rebounding rapidly now that the bulk of the population is fully vaccinated, and new virus cases have plunged. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back towards its target of 2% any time soon.

- **World growth.** World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of **world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

- **Supply shortages**. The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. Major queues of ships unable to unload their goods at ports in New York, California and China built up rapidly during quarters 2 and 3 of 2021 but then halved during quarter 4. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods available to purchase.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside.

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

- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed or unable to be administered fast enough to stop the NHS being overwhelmed.

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.

- **Bank of England** acts too quickly, or too far, 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.

- **The Government** acts too quickly to increase taxes and/or cut expenditure to balance the national budget.

- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.

- **Geopolitical risks,** for example in Ukraine/Russia, Iran, China, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows. If Russia were to invade Ukraine, this would be likely to cause short term volatility in financial markets, but it would not be expected to have a significant impact beyond that.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary 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.

Longer term US treasury yields rise strongly and pull gilt yields up higher than forecast

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PROGRAMME OF MEETINGS 2022/23

REPORT OF:	Tom Clark, Head of Regulatory Services and Monitoring Officer
Contact Officer:	Lucinda Joyce – Senior Democratic Services Officer Email: lucinda.joyce@midsussex.gov.uk Tel: 01444 477225
Wards Affected:	All
Key Decision	No
Report to	Council – 30 March 2022

Purpose of Report

1. To approve the Programme of Meetings for 2022/2023.

Recommendations

2. **It is recommended that the Programme (attached to this report as Appendix 1) be approved.**

Background

3. Each year the Council sets a Programme of Meetings, as attached at Appendix 1.

4. Five training sessions for all Members have been included throughout the year.

5. Decision making meetings of the Council are required to be held in person. All meetings will be live-streamed for the public to view.

6. Non decision making meetings can be held virtually. Virtual meetings have been used across the entire organisation, including officers-only meetings. This was enabled by significant investment in technology as well by the Council's aspiration to move towards modern ways of working. Benefits of retaining virtual meetings include practical efficiencies gained by remote working and a reduction in travel requirements.

7. The timings of meetings reflect the current arrangements in place for in-person, off-site and virtual meetings.

Risk Management Implications

8. HM Government expired most Covid legislation on 24 February 2022; however, it has replaced it with guidelines and guidance. HM Government acknowledges that expiring legal protections might cause virus resurgence, and it expects further Covid variants.

9. The Health and Safety Executive (HSE) requires that the Council completes a risk assessment to ensure it takes reasonable steps to manage the remaining risks from coronavirus (COVID-19) while we learn how to live with the virus. This assessment must reflect the public health regulations, guidelines and guidance on the measures that remain for COVID-19.

Equality and Customer Service Implications

10. The streaming of Council meetings live does enable people who have limited mobility to view those meetings without needing to come to the Council offices. Being able to view meetings from home is beneficial to a lot of people in the Community. It is easier for most Councillors to take part in virtual meetings.

Other Material Implications

11. The course of the pandemic is uncertain in particular relating to the arrival of a virus variant in the Country to which the current Vaccine Programme is less effective. The programme may require adjustment to accommodate such circumstance.

Sustainability Implications

12. Virtual and livestreamed meetings minimises the need for travel.

Financial and Other Material Implications

13. This report has no financial or other material implications.

Background Papers

14. None.

APPENDIX 1

Programme of Meetings 2022/23

Wed 11 May	**Annual Council**	**7.00pm**
Thurs 12 May	Planning Committee	4.00 pm
Tue 17 May	Member Training	6.00 pm
Wed 18 May	Scrutiny Committee for Leader, Finance and Performance	6.00 pm
Thurs 19 May	District Planning Committee	2.00 pm
Wed 25 May	Scrutiny Committee for Community, Customer Service and Service Delivery	6.00 pm
Mon 6 Jun	**Cabinet**	**4.00 pm**
Mon 6 Jun	Standards Committee	6.00 pm
Wed 8 Jun	Scrutiny Committee for Housing, Planning and Economic Growth	6.00 pm
Thurs 9 Jun	Planning Committee	4.00 pm
Thurs 16 Jun	District Planning Committee	2.00 pm
Mon 20 Jun	Cabinet Grants Panel	4.00 pm
Wed 22 Jun	Scrutiny Committee for Community, Customer Service and Service Delivery	6.00 pm
Wed 29 Jun	**Council**	**7.00 pm**
Tues 12 Jul	Member Training	6.00 pm
Thu 14 Jul	Planning Committee	4.00 pm
Mon 18 Jul	**Cabinet**	**4.00pm**
Thurs 21 Jul	District Planning Committee	2.00 pm
Tue 26 Jul	Audit Committee	5.00 pm
Thu 11 Aug	Planning Committee	4.00 pm
Thu 18 Aug	District Planning Committee	2.00 pm
Mon 22 Aug	Cabinet Grants Panel	4.00 pm
Tue 6 Sep	Member Training	6.00 pm
Thurs 8 Sept	Planning Committee	4.00 pm
Mon 12 Sept	**Cabinet**	**4.00 pm**

Wed 14 Sept	Scrutiny Committee for Community, Customer Service and Service Delivery	6.00 pm
Thu 15 Sept	District Planning Committee	2.00 pm
Tues 20 Sept	Audit Committee	5.00 pm
Wed 21 Sept	Scrutiny Committee Leader, Finance and Performance	6.00 pm
Wed 28 Sept	**Charity Trustees (Annual Report)**	**6.45 pm**
Wed 28 Sept	**Council**	**7.00 pm**
Wed 5 Oct	Scrutiny Committee for Housing, Planning and Economic Growth	6.00 pm
Tues 11 Oct	Licensing Committee	5.00 pm
Thu 13 Oct	Planning Committee	4.00 pm
Mon 17 Oct	**Cabinet**	**4.00 pm**
Thurs 20 Oct	District Planning Committee	2.00 pm
Mon 24 Oct	Cabinet Grants Panel	4.00 pm
Tue 1 Nov	Member Training	6.00 pm
Wed 2 Nov	**Council**	**7.00 pm**
Wed 9 Nov	Scrutiny Committee for Leader, Finance and Performance	6.00 pm
Thurs 10 Nov	Planning Committee	4.00 pm
Tue 15 Nov	Audit Committee	5.00 pm
Thurs 17 Nov	District Planning Committee	2.00 pm
Mon 21 Nov	**Cabinet**	**4.00 pm**
Mon 21 Nov	Standards Committee	6.00 pm
Wed 7 Dec	**Council**	**7.00 pm**
Thu 8 Dec	Planning Committee	4.00 pm
Mon 12 Dec	Cabinet Grants Panel	4.00 pm
Tues 13 Dec	Audit Committee	5.00 pm
Thu 15 Dec	District Planning Committee	2.00 pm
Tue 10 Jan	Member Training	6.00 pm
Wed 11 Jan	Scrutiny Committee for Leader, Finance and Performance (Budget)	6.00 pm

Thu 12 Jan	Planning Committee	4.00 pm
Wed 18 Jan	Scrutiny Committee for Housing, Planning and Economic Growth	6.00 pm
Thu 19 Jan	District Planning Committee	2.00 pm
Wed 25 Jan	**Charity Trustees (if required)**	**6.45 pm**
Wed 25 Jan	**Council**	**7.00 pm**
Wed 1 Feb	Scrutiny Committee for Community, Customer Service and Service Delivery	6.00 pm
Mon 6 Feb	**Cabinet**	**4.00 pm**
Tue 7 Feb	Licensing Committee	5.00 pm
Thurs 9 Feb	Planning Committee	4.00 pm
Thu 16 Feb	District Planning Committee	2.00 pm
Mon 20 Feb	Cabinet Grants Panel	4.00 pm
Mon 20 Feb	Standards Committee	6.00 pm
Wed 1 Mar	**Council (Budget)**	**7.00 pm**
Tue 7 Mar	Audit Committee	5.00 pm
Wed 8 Mar	Scrutiny Committee for Leader, Finance and Performance	6.00 pm
Thurs 9 Mar	Planning Committee	4.00 pm
Wed 15 Mar	Scrutiny Committee for Housing, Planning and Economic Growth	6.00 pm
Thu 16 Mar	District Planning Committee	2.00 pm
Mon 20 Mar	**Cabinet**	**4.00 pm**
Wed 22 Mar	Scrutiny Committee for Community, Customer Service and Service Delivery	6.00 pm
Wed 29 Mar	**Council**	**7.00 pm**
Thurs 13 Apr	Planning Committee	4.00 pm
Thu 20 Apr	District Planning Committee	2.00 pm
Mon 8 May	**Cabinet**	**4.00 pm**
Wed 24 May	**Annual Council**	**7.00 pm**

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