

# STANDARDS COMMITTEE

**TUESDAY 3<sup>RD</sup> AUGUST  
AT 1400 HOURS IN  
COMMITTEE ROOM 1**

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Sherwood Lodge  
Bolsover  
Derbyshire  
S44 6NF

Date: 23<sup>rd</sup> July 2010

Dear Sir or Madam,

You are hereby summoned to attend a Standards Committee meeting of the Bolsover District Council to be held in Committee Room 1, Sherwood Lodge, Bolsover, on Tuesday 3<sup>rd</sup> August 2010 at 1400 hours.

Members are reminded that under Section 51 of the Local Government Act 2000 the Bolsover Code of Conduct was adopted by the Council on 16<sup>th</sup> May 2007. It is a Councillor's duty to familiarise him or herself with the rules of personal conduct by which Councillors must conduct themselves in public life. In addition, Members should review their personal circumstances on a regular basis with these rules in mind and bearing in mind the matters listed on the Agenda for discussion at this meeting.

Copies of the Bolsover Code of Conduct for Members will be available for inspection by any Member at the meeting.

Register of Members' Interest - Members are reminded that a Member must within 28 days of becoming aware of any changes to their interests under paragraph 14 or 15 of the Code of Conduct provide written notification to the Authority's Monitoring Officer.

Members are reminded of the provisions of Section 106 of the Local Government Finance Act 1992 and the responsibility of Members to make a declaration at this meeting if affected by the Section and not to vote on any matter before this meeting which would have an affect on the Council's budget.

You will find the contents of the agenda itemised on page 68.

Yours faithfully,



Chief Executive Officer  
To: Members of the Standards Committee

## STANDARDS COMMITTEE

Minutes of a meeting of the Standards Committee of the Bolsover District Council held in Committee Room 1, Sherwood Lodge, Bolsover, on Monday 10<sup>th</sup> May 2010.

### **PRESENT:-**

Independent Member: J. Yates.

Parish Council Members: - H. Wright.

Members: - T. Connerton, H. Gilmour, A. M. Syrett and S. Wallis.

Officers:-

S.E.A. Sternberg (Solicitor to the Council and Monitoring Officer), A. Turner, (Legal and Standards Officer) and K. Rodda (Democratic Services Officer).

Also present at the meeting was Mr. N. Taylor, Clerk to South Normanton Parish Council.

J. Yates – Chair

### **919. APOLOGIES**

Apologies for absence were received from K. Belshaw (Independent Member)

### **920. URGENT ITEMS**

There were no urgent items of business, but there was an extra item to consider, a request for a dispensation by Members of South Normanton Parish Council which would be considered as Agenda item No. 13.

### **921. DECLARATIONS OF INTEREST**

Min No.	Councillor	Level of Interest
923a	S. Wallis	Personal and Prejudicial

## STANDARDS COMMITTEE

### 922. MINUTES – 15<sup>th</sup> February 2010

Moved by Councillor H. Gilmour, seconded by T. Munro

**RESOLVED** that the minutes of a meeting held on 14<sup>th</sup> December 2009 be approved as a correct record.

### 922a. MINUTES – 24<sup>TH</sup> FEBRUARY 2010

Moved by Councillor H. Gilmour, seconded by Councillor A. M. Syrett

**RESOLVED** that the minutes of a meeting held on 24<sup>th</sup> February be approved as a correct record.

At this point in the meeting Agenda Item No. 13, a request for dispensation was brought forward.

Councillor S. Wallis had declared a Personal and Prejudicial interest in the following item, as a District Councillor but after taking advice from the Monitoring officer, stayed in the meeting in her role as Parish Councillor to answer questions on the application.

### 923. REQUEST FOR A DISPENSATION BY MEMBERS OF SOUTH NORMANTON PARISH COUNCIL

The Legal and Standards Officer presented the report which sought dispensation from ten members of South Normanton Parish Council in order to allow a decision to be made on the future of South Normanton Community Centre.

Mr N. Taylor gave further information to the meeting.

Moved by Councillor A. M. Syrett, seconded by Councillor H. Gilmour

**RESOLVED** that a six month dispensation be granted to the 10 members of South Normanton Parish Council.

(Solicitor to the Council)

## STANDARDS COMMITTEE

### 924. NOTES FROM A MEETING OF THE CHAIR OF STANDARDS COMMITTEE WITH THE CHIEF EXECUTIVE OFFICER

Notes from a meeting between the Chief Executive Officer and the Chair of Standards Committee were circulated to the meeting for information.

### 925. SCRUTINY CONSTITUTION CHANGES

- (1) TERMS OF REFERENCE OF IMPROVEMENT SCRUTINY COMMITTEE
- (2) TERMS OF REFERENCE OF SAFE AND INCLUSIVE COMMUNITIES SCRUTINY COMMITTEE
- (3) TERMS OF REFERENCE OF SUSTAINABLE COMMUNITIES SCRUTINY COMMITTEE
- (4) TERMS OF REFERENCE OF THE SCRUTINY MANAGEMENT BOARD
- (5) PART 4.5 OF THE CONSTITUTION – SCRUTINY PROCEDURE RULES
- (6) PART 4.6 OF THE CONSTITUTION – PROCEDURE FOR CALL – IN

The Terms of Reference for the 3 new Scrutiny Committees and the Scrutiny Management Board, the changes to the Scrutiny Procedure Rules and the Procedure for Call – in were presented to the meeting by the Monitoring Officer.

Scrutiny members had seen the draft terms of reference at their last meeting. At the request of Members, Members of the Executive would be given copies to consider prior to the documents being referred to Council.

Moved by Councillor H. Gilmour, seconded by Councillor A. M. Syrett  
**RECOMMENDED** that that the following be referred to Council for inclusion in the Constitution

- (1) the Terms of Reference for the Improvement Scrutiny Committee, the Safe and Inclusive Communities Scrutiny Committee the Sustainable Communities Scrutiny Committee and the Scrutiny Management Board
- (2) the changes to Part 4.5, the Scrutiny Procedure Rules of the Constitution
- (3) the changes to Part 4.6, the Procedure for Call – In of the Constitution.

(Council)

## **STANDARDS COMMITTEE**

### **926. ANNUAL REPORT TO STANDARDS FOR ENGLAND**

The Annual Report was circulated to the meeting for information. This would be presented to Council in June 2010 by the Chair of Standards Committee.

The report was noted.

### **927. UPDATE ON RECRUITMENT OF NEW CO-OPTEEES**

The Legal and Standards officer reported that interviews for the new Independent Co-opted Members had taken place. Six had been offered a position on Standards Committee, training would be organised, and it was hoped that they would start at the first Standards Committee in the new cycle.

### **928. COMPLAINTS UPDATE REPORT**

The Monitoring Officer confirmed that no further complaints had been received, and that there was one still outstanding from 2008.

The report was noted.

### **929. STANDARDS FOR ENGLAND CONFERENCE**

This report was for member's information.

### **930. DRAFT 2010/11 STANDARDS COMMITTEE WORK – PLAN – SUGGESTIONS**

The Legal and Standards officer presented the Draft Standards Committee work plan to the meeting.

The report was noted.

## **STANDARDS COMMITTEE**

### **931. STANDARDS COMMITTEE WORK PLAN**

The Legal and Standards officer presented the Standards Committee work plan to the meeting.

The report was noted.

The meeting concluded at 1503 hours.

## STANDARDS COMMITTEE

Minutes of a special meeting of the Standards Committee of the Bolsover District Council held in Committee Room 1, Sherwood Lodge, Bolsover, on Wednesday 9<sup>th</sup> June 2010 at 1000 hours.

### **PRESENT:-**

Independent Members: B. Betts, A. Gascoyne, J. Jaffray, R. Lilley, D. Wright and J. Yates.

Parish Council Members: - T. Munro, K. Reid and H. Wright.

Members: - M. Dooley, H. Gilmour, V. P. Mills, A. M. Syrett and H. Ward.

Officers:-

S.E.A. Sternberg (Solicitor to the Council and Monitoring Officer), A. Turner, (Legal and Standards Officer), K. Shillito (Principal Solicitor), A. Bluff (Democratic Services Officer – observing) and K. Rodda (Democratic Services Officer).

### **36. APOLOGIES**

Apologies for absence were received from K. Belshaw (Independent Member) and J. Hill (Independent Member)

### **37. ELECTION OF CHAIR**

Moved by Councillor A.M. Syrett, seconded by Councillor H. Gilmour  
**RESOLVED** that J. Yates be elected as Chair of the Standards Committee for the ensuing year.

J. Yates - Chair

### **38. APPOINTMENT OF VICE CHAIR**

Moved by Councillor H. Gilmour, seconded by Councillor A. M. Syrett  
**RESOLVED** that M. Dooley be appointed as Vice Chair of Standards Committee for the ensuing year.



## STANDARDS COMMITTEE

### 39. DECLARATIONS OF INTEREST

Min No.	Name	Level of Interest
41	H. Gilmour	Personal and Prejudicial

### 40. TERMS OF REFERENCE

Moved by K. Reid, seconded by Councillor M. Dooley

**RESOLVED** that the Terms of Reference for the Standards Committee be agreed.

Councillor H. Gilmour had declared a Personal and Prejudicial interest in the following item and left the meeting at this point.

### 41. ARRANGEMENTS FOR A HEARING INTO A COMPLAINT AGAINST A MEMBER.

The Solicitor to the Council and the Monitoring Officer presented the report, and explained how a complaint had been received against a Parish Councillor. This had been investigated and recommended for a hearing. The matter had been referred to the Principal Judge of the First Tier Tribunal asking for the Tribunal to hear the matter. If however the Principal Judge declined the request the matter would be heard locally.

It was explained to the meeting that authority would need to be given to the Solicitor to the Council to make necessary arrangements to allow this to take place, and how delegations to the Solicitor to the Council were needed for this purpose. These should if approved be put in the Solicitor to the Council's Delegation Scheme in the Constitution.

It was also confirmed at the meeting how the new members to the Standards Committee would be given the appropriate training to enable them to take part in future Standards hearings.

Moved by K. Reid, seconded by T. Monroe.

**RESOLVED** that authority be given to the Solicitor to the Council to make all the arrangements necessary for the pre hearing and hearing processes in this particular case under Regulation 18 of the Standards Committee (England) regulations 2008 or any replacement regulations.

## STANDARDS COMMITTEE

**RECOMMENDED** that the following delegations to the Solicitor to the Council be included in the Council's Constitution:

- 1) Power to convene hearings panels to determine complaints against members and to appoint members of the Standards Committee to sit at such hearings.
- 2) To make all necessary arrangements for the pre hearing and hearing processes involved in hearing complaints against members under Regulation 18 of the Standards Committee (England) regulations 2008 or any replacement regulations.

(Council)

The meeting closed at 1012 hours.

**RECOMMENDED ITEM FROM COUNCIL 30<sup>TH</sup> MARCH 2010**

**849. TREASURY MANAGEMENT STRATEGY 2010/11**

The Director of Resources advised Members that the report outlined the Council's prudential indicators for 2010/11 to 2012/13 it also set out the expected treasury operations for this period.

Members were advised that this year there had been a number of changes required by both Government and the Audit Commission and these details were reflected in the report, this required greater scrutiny of the Council's Treasury Management function and Members were informed that this year only, these had been considered by both Executive and Audit Committee Members, who had been trained by Treasury Management Advisors on the Treasury Management Strategy.

It is necessary for future years to amend the Council's Constitution as Audit Committee would be the responsible body for ensuring effective scrutiny of the treasury management strategy and policies. Changes to the revisions of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice means Members would have increased responsibility, which would require greater Member scrutiny of the Treasury Strategy, increased Member training and awareness, and greater frequency of information.

There are four key legislative requirements and these are Prudential Indicators, the Council's Minimum Revenue Provision Policy, Treasury Management Strategy and the Investment Strategy and the Director provided further information as contained in the attached Appendices to the report.

Members raised various questions.

Moved by Councillor A.F. Tomlinson, seconded by Councillor A.J. Hodkin  
**RESOLVED** that (1) Council approves each of the six elements of these reports:

1. The prudential indicators and limits contained with Appendix A of the report,
2. The Minimum Revenue Provision Statement contained within Appendix A which sets out the Council's policy on Minimum Revenue Provision,
3. The Treasury Management Strategy 2010/11 to 2012/13, and the treasury Prudential Indicators contained within Appendix B,

4. The Authorised Limit Prudential Indicator be approved,.
5. The Investment Strategy 2010/11 contained in the treasury management strategy (Appendix B), and the detailed criteria included in Annex B1.

**RECOMMENDED**

that (2) the revision to the Council's Constitution at Annex be referred to Standards Committee for inclusion in the Council's Constitution. This revision nominates the Audit Committee to ensure effective scrutiny of the treasury management strategy and policies and this will need including in the Audit Committee's terms of reference together with changes to the function of Executive.

(Head of Democratic Services (Constitution))

Council	Special Council	Agenda Item No.:	5
Date:	30 <sup>th</sup> March 2010	Category	
Subject:	Treasury Management Strategy 2010/11	Status	Open
Report by:	Director of Resources		
Other Officers Involved:	Chief Accountant		
Director	Director of Resources		
Relevant Portfolio Holder	E. Watts - Leader of the Council		

### **RELEVANT CORPORATE AIMS**

STRATEGIC ORGANISATIONAL DEVELOPMENT – to continually improve the efficiency and effectiveness of all Council Services by maximising the potential use of Council resources.

### **TARGETS**

None.

### **VALUE FOR MONEY**

The Treasury Management activities of the Council will seek to minimise the cost of borrowing and maximise the return on cash investments.

### **THE REPORT**

This report outlines the Council's prudential indicators for 2010/11 – 2012/13 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:

- The reporting of the prudential indicators setting out the expected capital activities (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities – Appendix A). The treasury management prudential indicators are now included as treasury indicators in the CIPFA Treasury Management Code of Practice;
- The Council's Minimum Revenue Provision Policy, which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007 – Also Appendix A);

- The treasury management strategy statement which sets out how the Council's treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by s3 of the Local Government Act 2003. This is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and shown at Appendix B;
- The investment strategy which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the Communities and Local Government (CLG) Investment Guidance and also shown in Appendix B.

Revised editions of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice were produced in November 2009. The CLG is currently consulting on changes to the Investment Guidance. The revised guidance arising from these Codes has been incorporated within these reports, with the CLG proposals being incorporated where these do not conflict with current guidance. If necessary the Investment Strategy in Appendix B will be revised if any elements of the final CLG Investment Guidance have not already been covered.

The main changes initiated in the revisions above increase Members' responsibility in this area. This would require greater Member scrutiny of the treasury policies, increased Member training and awareness and greater frequency of information.

One element of the revised CIPFA Treasury Management Code of Practice is that the clauses adopted as part of the Council's constitution be amended. This revision is shown at Annex B3 for approval. The key change is that a responsible body (committee, board or group) be responsible for ensuring effective scrutiny of the treasury management strategy and policies, before making recommendations to Council. (For this year only Executive will be the responsible body, for future years the Audit Committee will have this responsibility.)

The above policies and parameters provide an approved framework within which the officers undertake the day to day capital and treasury activities.

## **IMPLICATIONS**

Financial:	None
Legal:	To comply with the Local Government Act 2003
Human Resources:	None

## RECOMMENDATION

That Council is recommended to approve each of the six elements of these reports and recommend to Standards Committee:

1. The prudential indicators and limits contained with Appendix A of the report.
2. The Minimum Revenue Provision Statement contained within Appendix A which sets out the Council's policy on Minimum Revenue Provision.
3. The Treasury Management Strategy 2010/11 to 2012/13, and the treasury Prudential Indicators contained within Appendix B.
4. The Authorised Limit Prudential Indicator.
5. The Investment Strategy 2010/11 contained in the treasury management strategy (Appendix B), and the detailed criteria included in Annex B1.
6. The revision to the Council's Constitution at Annex B3 be referred to Standards Committee for inclusion in the Council's Constitution. This revision nominates the Audit Committee to ensure effective scrutiny of the treasury management strategy and policies and this will need including in the Audit Committee's terms of reference together with changes to the function of Executive.

ATTACHMENTS: N  
FILE REFERENCE: None  
SOURCE DOCUMENT: Background papers held in Financial Services

## Appendix A

### **The Capital Prudential Indicators 2010/11 – 2012/13**

The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the Council's underlying capital appraisal systems. This report updates currently approved indicators and introduces new indicators for 2012/13.

Within this overall prudential framework there is an impact on the Council's treasury management activity as it will directly impact on borrowing or investment activity. As a consequence the treasury management strategy for 2010/11 to 2012/13 is included as Appendix B to complement these indicators. Some of the prudential indicators are shown in the treasury management strategy to aid understanding.

### **The Capital Expenditure Plans**

The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This unsupported capital expenditure needs to have regard to:

- Service objectives (e.g. strategic planning);
- Stewardship of assets (e.g. asset management planning);
- Value for money (e.g. option appraisal);
- Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
- Affordability (e.g. implications for the council tax and rents);
- Practicality (e.g. the achievability of the forward plan).

The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources.

This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants etc. or revenue resources) but if these resources are insufficient any residual expenditure will add to the Council's borrowing need.

The key risks to the plans are that the level of Government support has been estimated and is therefore maybe subject to change. Similarly some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale.



The Council is asked to approve the summary capital expenditure projections below. These reflect the Executive report from 4<sup>th</sup> January 2010 and the Tarrans report from 13<sup>th</sup> January 2010. This forms the first prudential indicator:

	<b>2009/10 Revised £'000</b>	<b>2010/11 Estimated £'000</b>	<b>2011/12 Estimated £'000</b>	<b>2012/13 Estimated £'000</b>
<b>Capital Expenditure</b>				
Non-HRA	6,899	3,111	349	200
HRA	4,488	4,917	3,648	3,675
<b>Financed by:</b>				
Capital receipts	(3,228)	(1,627)	0	0
Capital grants	(7,047)	(3,167)	(3,198)	(3,225)
Revenue	(1,048)	(1,934)	(799)	(650)
<b>Net financing need for the year</b>	<b>64</b>	<b>1,300</b>	<b>0</b>	<b>0</b>

### **The Council's Borrowing Need (the Capital Financing Requirement)**

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The Capital Financing Requirement is simply the total 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 underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the Capital Financing Requirement.

The Council is asked to approve the Capital Financing Requirement projections below:

	<b>2009/10 Revised £'000</b>	<b>2010/11 Estimated £'000</b>	<b>2011/12 Estimated £'000</b>	<b>2012/13 Estimated £'000</b>
<b>Capital Financing Requirement</b>				
CFR – Non Housing	11,176	12,399	11,946	11,511
CFR - Housing	6,720	7,855	7,650	7,650
<b>Total CFR</b>	<b>17,896</b>	<b>20,254</b>	<b>19,596</b>	<b>19,161</b>
<b>Movement in CFR</b>	<b>3,131</b>	<b>2,358</b>	<b>(658)</b>	<b>(435)</b>

### **Movement in CFR represented by**

Net financing need for the year (from above)	64	1,300	0	0
Reversal of UCR* balance set-aside now required to finance	3,377	1,462	(205)	0
MRP and other financing movements	(310)	(404)	(453)	(435)
<b>Movement in CFR</b>	<b>3,131</b>	<b>2,358</b>	<b>(658)</b>	<b>(435)</b>

\*Useable Capital Receipts

The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments.

CLG Regulations have been issued which require full Council to approve a Minimum Revenue Provision Statement in advance of each year. A variety of options are provided to councils to replace the existing Regulations, so long as there is a prudent provision.

The Council is recommended to approve the following Minimum Revenue Provision Statement:

For capital expenditure incurred before 1 April 2008 or which in the future will be supported capital expenditure the Minimum Revenue Provision policy will be:

- **Existing practice** - Minimum Revenue Provision will follow the existing practice outlined in former CLG Regulations (Option 1), capital financing requirement minus “adjustment A” multiplied by 4%.

From 1 April 2008 for all unsupported borrowing the Minimum Revenue Provision policy will be:

- **Asset Life Method** - Minimum Revenue Provision will be based on the estimated life of the assets, in accordance with the proposed regulations (Option 3).

In the case of finance leases (either existing or those operating leases that come on balance sheet as a result of International Financial Reporting Standards) the Minimum Revenue Provision would be regarded as met by a charge equal to the element of the charge that goes to write down the balance sheet liability. Thus Option 3 will apply in a modified form.

### **The Use of the Council’s Resources and the Investment Position**

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.).

### **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:

**1) Actual and Estimates of the ratio of financing costs to net revenue stream**

This indicator identifies the trend in the cost of capital (interest on borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	<b>2009/10 Revised</b>	<b>2010/11 Estimated</b>	<b>2011/12 Estimated</b>	<b>2012/13 Estimated</b>
Non-HRA	4.93%	5.55%	6.13%	4.48%
HRA	17.38%	22.90%	22.56%	22.03%

The estimates of financing costs include current commitments and the proposed Capital Programme.

**2) Estimates of the incremental impact of capital investment decisions on the Council Tax**

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme. As no new general fund schemes financed by borrowing were recommended in respect of 2010/11 budget bids the indicator is not required this year.

	<b>2009/10 Revised</b>	<b>2010/11 Estimated</b>	<b>2011/12 Estimated</b>	<b>2012/13 Estimated</b>
Band D Council Tax	£0.00	£0.00	£0.00	£0.00

**3) Estimates of the incremental impact of capital investment decisions on Housing Rent levels**

Similar to the Council tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in the budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

	<b>2009/10 Revised</b>	<b>2010/11 Estimated</b>	<b>2011/12 Estimated</b>	<b>2012/13 Estimated</b>
Weekly Housing Rent levels	£0.00	£0.08	£0.16	£0.16

## Appendix B

### **Treasury Management Strategy 2010/11 – 2012/13**

The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Appendix A consider the affordability and impact of capital expenditure decisions and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992.

The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised November 2009). This Council adopted the Code of Practice on Treasury Management on 1<sup>st</sup> March 2002 and will adopt the revised Code.

As a result of adopting the Code the Council also adopted a Treasury Management Policy Statement (1<sup>st</sup> March 2002). This adoption is the requirement of one of the prudential indicators. One element of the revised CIPFA Treasury Management Code of Practice is that the clauses adopted as part of the Council's constitution be amended. This revision is shown at Annex B3 for approval.

The Constitution requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year, and a new requirement of the revision of the Code of Practice is that there is a mid-year monitoring report.

This strategy covers:

- The Council's debt and investment projections;
- The Council's estimates and limits on future debt levels;
- The expected movement in interest rates;
- The Council's borrowing and investment strategies;
- Treasury performance indicators;
- Specific limits on treasury activities;

### **Debt and Investment Projections 2010/11 – 2012/13**

The borrowing requirement comprises the expected movement in the Capital Financing Requirement and any maturing debt which will need to be re-financed. The table below shows this effect on the treasury position over the next three years. The expected maximum debt position during each year represents the Operational Boundary prudential indicator and so may be different from the year end position. The table also highlights the expected change in investment balances.

	<b>2009/10 Revised £'000</b>	<b>2010/11 Estimated £'000</b>	<b>2011/12 Estimated £'000</b>	<b>2012/13 Estimated £'000</b>
<b>External Debt</b>				
Debt at 1 April	19,100	19,100	20,400	20,400
Expected change in debt	0	1,300	0	0
Debt at 31 March	19,100	20,400	20,400	20,400
<b>Investments</b>				
Total Investments at 31 March	13,727	11,452	11,452	11,452
Investment change between years	(83)	(2,275)	0	0

The related impacts of the above movements on the revenue budget are:

	<b>2009/10 Revised £'000</b>	<b>2010/11 Estimated £'000</b>	<b>2011/12 Estimated £'000</b>	<b>2012/13 Estimated £'000</b>
<b>Revenue Budgets</b>				
General Fund Interest	711	1,047	1,108	1,108
HRA Interest Charge	303	342	333	328
<b>Total Interest Cost on Borrowing</b>	<b>1,014</b>	<b>1,389</b>	<b>1,441</b>	<b>1,436</b>
Investment income	(227)	(250)	(283)	(565)

### **Limits to Borrowing Activity**

Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits.

For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the Capital Financing Requirement in the preceding year plus the estimates of any additional Capital Financing Requirement for 2010/11 and the following two financial years (the relevant comparative figures are highlighted). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

	<b>2009/10 Revised £'000</b>	<b>2010/11 Estimated £'000</b>	<b>2011/12 Estimated £'000</b>	<b>2012/13 Estimated £'000</b>
Gross Borrowing	19,100	20,400	20,400	20,400
Investments	(13,727)	(11,452)	(11,452)	(11,452)
<b>Net Borrowing</b>	<b>5,373</b>	<b>8,948</b>	<b>8,948</b>	<b>8,948</b>
CFR	17,896	20,254	19,596	19,161

The Director of 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 proposals to the capital programme.

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

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

The Council is asked to approve the following Authorised Limit:

<b>Authorised limit</b>	<b>2009/10 Revised £'000</b>	<b>2010/11 Estimated £'000</b>	<b>2011/12 Estimated £'000</b>	<b>2012/13 Estimated £'000</b>
Limit for Borrowing	29,100	30,400	30,400	30,400
Other long term liabilities	0	0	0	0
<b>Total</b>	<b>29,100</b>	<b>30,400</b>	<b>30,400</b>	<b>30,400</b>
<b>Operational Boundary</b>				
Limit for Borrowing	19,100	20,400	20,400	20,400
Other long term liabilities	0	0	0	0
<b>Total</b>	<b>19,100</b>	<b>20,400</b>	<b>20,400</b>	<b>20,400</b>

Borrowing in advance of need – The Council has some flexibility to borrow funds this year for use in future years. The Director of Resources may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Director of Resources will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities.

Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism. It is very unlikely that borrowing in advance of need will take place during the next financial year.

## Expected Movement in Interest Rates

### Medium-Term Rate Estimates (averages)

Year	Bank Rate %	Money Rates		PWLB Rates *		
		%	%	%	%	%
		3 month	1 year	5 year	20 year	50 year
2009/10	0.5	.8	1.4	3.2	4.4	4.6
2010/11	1.0	1.5	2.3	4.0	5.0	5.2
2011/12	2.0	2.5	3.3	4.3	5.3	5.3
2012/13	4.5	4.8	5.3	5.3	5.5	5.3

\* Borrowing Rates

Short-term rates are expected to remain on hold for a considerable time. The recovery in the economy has commenced but it will remain insipid and there is a danger that early reversal of monetary ease, (rate cuts and Quantative Easing {QE}), could trigger a dip back to negative growth and a W-shaped GDP path.

Credit extension to the corporate and personal sectors has improved modestly but banks remain nervous about the viability of counterparties. This is likely to remain a drag upon activity prospects, as will the lacklustre growth of broad money supply.

The main drag upon the economy is expected to be weak consumers' expenditure growth. The combination of the desire to reduce the level of personal debt and job uncertainty is likely to weigh heavily upon spending. This will be amplified by the prospective increases in taxation already scheduled for 2010 – VAT and National Insurance. Without a rebound in this key element of UK GDP growth, any recovery in the economy is set to be weak and protracted.

The Monetary Policy Committee (MPC) will continue to promote easy credit conditions via quantitative monetary measures. QE has been extended to a total of £200bn and there is still an outside chance that it could be expanded further in February. Whether this has much impact in the near term remains a moot point given the personal sector's reluctance to take on more debt and add to its already unhealthy balance sheet.

With inflation set to remain subdued in the next few years (though a sharp blip is forecast for the next few months), the pressure upon the MPC to hike rates will remain moderate. But some increase will be seen as necessary in 2010 to counter the effects of external cost pressures (as commodity price strength filters through) and to avoid damage that sterling could endure if the UK is seen to defy an international move to commence policy exit strategies.

The outlook for long-term fixed interest rates is a lot less favourable. While the UK's fiscal burden should ease in the future, this will be a lengthy process and deficits over the next two to three financial years will require a very heavy programme of gilt issuance. The market will no longer be able to rely upon Quantitative Easing to alleviate this enormous burden.

The programme might well end in February, especially if the economy has returned to a recovery path as seems very likely. With growth back on the agenda and inflation challenging the upper limit of the Government's target range, the majority of MPC members may feel enough assistance has been given to ensure lack of credit is no longer a fundamental threat to the welfare of the economy

The absence of the Bank of England as the largest buyer of gilts will shift the balance between supply and demand in the gilt-edged market. Other investors will almost certainly require some incentive to continue buying government paper.

This incentive will take the form of higher interest rates. The longer fixed interest rates will suffer from the lack of support from the major savings institutions – pension funds and insurance companies who will continue to favour other investment instruments as a source of value and performance. The shorter fixed interest rates will be pressured higher by the impact of rising money market rates. While bank purchases in this part of the market will continue to feature as these institutions meet regulatory obligations, this process will be insufficiently strong to resist the upward trend in yields.

The Bank Base Rate is currently 0.5%.

### **Borrowing Strategy 2010/11 – 2012/13**

The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.

Long-term fixed interest rates are at risk of being higher over the medium term and short term rates are expected to rise, although more modestly. The Director of Resources, under delegated powers, will take the most appropriate form of borrowing, if necessary, depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide lower cost opportunities in the short/medium term.

With the likelihood of long term rates increasing any debt restructuring is likely to focus on switching from longer term fixed rates to cheaper shorter term debt, if after premia a revenue saving results. The Director of Resources and treasury consultants will monitor prevailing rates for any opportunities during the year.

The option of postponing borrowing and running down investment balances will also be considered. This would reduce counterparty risk and hedge against the expected fall in investment returns.

### **Investment Strategy 2010/11 – 2012/13**

**Key Objectives** - The Council's investment strategy primary objectives are safeguarding the re-payment of the principal and interest of its investments on



time first and ensuring adequate liquidity second – the investment return being a third objective. Following the economic background above, the current investment climate has one over-riding risk consideration, that of counterparty security risk. As a result of these underlying concerns officers are implementing an operational investment strategy which tightens the controls already in place in the approved investment strategy.

**Risk Benchmarking** – A development in the revised Codes and the CLG consultation paper is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature. Additional background in the approach taken is attached at Annex B2.

These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

Security - The Council’s maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- **0.01%** historic risk of default when compared to the whole portfolio.

Liquidity – In respect of this area the Council seeks to maintain:

- Bank overdraft - £250,000
- Liquid short term deposits of at least £3m available with a week’s notice.
- Weighted Average Life benchmark is expected to be 0.5 years, with a maximum of 0.7 years.

Yield - Local measures of yield benchmarks are :

- Investments – Internal returns above the 7 day LIBID rate

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
<b>Maximum</b>	<b>0.01%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

**Investment Counterparty Selection Criteria** - The primary principle governing the Council’s investment criteria is the security of its investments,

although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- 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 Director of Resources will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria is separate to that which chooses Specified and Non-Specified investments as it provides an overall pool of counterparties considered high quality the Council may use rather than defining what its investments are.

The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

Credit rating information is supplied by our treasury consultants 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 a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance a negative rating watch applying to a counterparty will be suspended from use.

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

- **Banks 1 – Good Credit Quality** - the Council will only use banks which:
  1. Are UK banks; and/or
  2. Are non-UK and domiciled in a country which has a minimum Sovereign long term rating of AA+

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

- **Short Term** – F1 or equivalent from Fitch, Moody’s or Standard + Poor’s
- **Long Term** – A or equivalent from Fitch, Moody’s or Standard + Poor’s
- **Individual / Financial Strength** – C from Fitch or Moody’s
- **Support** – 3 from Fitch only
- **Banks 2 – Guaranteed Banks with suitable Sovereign Support** – In addition, the Council will use banks whose ratings fall below the criteria specified above if all of the following conditions are met:
  - (a) wholesale deposits in the bank are covered by a government guarantee;
  - (b) the government providing the guarantee is rated “AAA” by all three major rating agencies (Fitch, Moody’s and Standard & Poors); and
  - (c) the Council’s investments with the bank are limited to amounts and maturities within the terms of the stipulated guarantee.
- **Banks 3 – Eligible Institutions** - the organisation is an Eligible Institution for the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008. These institutions have been subject to suitability checks before inclusion, and have access to HM Treasury liquidity if needed. Organisations will only be included where they meet the short term and long term ratings for Banks 1 above.
- **Banks 4** – The Council’s own banker if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- **Bank Subsidiary and Treasury Operations** – the Council will use these where the parent bank has the necessary ratings outlined above.
- **Building Societies** – the Council will *use* all Societies which:
  - meet the ratings for banks outlined above
 Or are :
  - Eligible Institutions
- **Money Market Funds** – AAA
- **UK Government** (including gilts and the DMADF)
- **Local Authorities, Parish Councils etc**
- **Supranational institutions**

A limit of £3m will be applied to the use of Non-Specified investments.

**Country and sector considerations** - Due care will be taken to consider the country, group and sector exposure of the Council’s investments. In

part the country selection will be chosen by the credit rating of the Sovereign state in Banks 1 above. In addition:

- no more than 20% will be placed with any non-UK country at any time;
- limits in place above will apply to Group companies;
- Sector limits will be monitored regularly for appropriateness.

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

**Time and Monetary Limits applying to Investments** - The time and monetary limits for institutions on the Council's Counterparty List are as follows (these will cover both Specified and Non-Specified Investments):

	Fitch (or equivalent)	Money Limit	Time Limit
Upper Limit	F1+  AA- or better	£5m	3 years
Lower Limit	F1  A or better	£5m	1 year
Other Institution Limits	AAA	£3m	3 years

The proposed criteria for Specified and Non-Specified investments are shown in Annex B1 for approval.

In the normal course of the Council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements

are safeguarded. This will also be limited by the longer term investment limits.

**Economic Investment Considerations** - Expectations on shorter-term interest rates, on which investment decisions are based, show likelihood of the current 0.5% Bank Rate remaining flat but with the possibility of a rise in mid-2010. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.

There is an operational difficulty arising from the current banking crisis. There is currently little value investing longer term unless credit quality is reduced. Whilst some selective options do provide additional yield uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.

**The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Director of Resources may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.**

Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (DMADF – a Government body which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

**Sensitivity to Interest Rate Movements**

Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by interest rate changes.

	2010/11 Estimated + 1%	2010/11 Estimated - 1%
HRA Investment Interest	8	-8
GF Investment income	118	-118

## Treasury Management Limits on Activity

There are four further treasury activity limits, which were previously prudential indicators. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

- Upper limits on variable interest rate exposure – This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures 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.
- Total principal funds invested for greater than 364 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.

The Council is asked to approve the limits:

£m	2010/11	2011/12	2012/13
<b>Interest rate Exposures</b>			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	95%	95%	95%
Limits on fixed interest rates:			
• Debt only	100%	100%	100%
• Investments only	95%	95%	95%
<b>Maturity Structure of fixed interest rate borrowing 2010/11</b>			
		Lower	Upper
Under 12 months		0%	20%
12 months to 2 years		0%	40%
2 years to 5 years		0%	60%
5 years to 10 years		0%	80%
10 years and above		0%	100%
<b>Maximum principal sums invested &gt; 364 days</b>			
Principal sums invested > 364 days	£3m	£3m	£3m

## Performance Indicators

The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the

prudential indicators, which are predominantly forward looking. Examples of performance indicators often used for the treasury function are:

- Debt – Borrowing - Average rate of borrowing for the year compared to average available
- Debt – Average rate movement year on year
- Investments – Internal returns above the 7 day LIBID rate

The results of these indicators will be reported in the Treasury Annual Report.

### **Treasury Management Advisers**

The Council uses Butlers as its treasury management consultants. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings/market information service comprising the three main credit rating agencies;

Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is subject to regular review.

### **Member and Officer Training**

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. This Council has addressed this important issue by:

- a. An annual training event for those charged with monitoring and scrutinising treasury management, by the Council's advisers Butlers.
- b. Members' individual needs are to be addressed by personal development plans.
- c. Officers attend training seminars held by Butlers.
- d. Officers have at least two annual strategy meetings with Butlers to discuss recent issues.
- e. Monthly, officer treasury management strategy meeting to discuss new developments/procedures.

**Local Issues**

Iceland Investments – The Council is currently working with the Local Government Association to recover as much of the £3m investment with Landsbanki as possible. CIPFA guidance is being followed to prepare the Medium Term Financial Plan and Statement of Accounts



## **Treasury Management Practice (TMP) 1 – Credit and Counterparty Risk Management**

The Office of the Deputy Prime Minister (now CLG) issued Investment Guidance on 12<sup>th</sup> March 2004, and this forms the structure of the Council's policy below. The CLG is currently consulting over revisions to the Guidance and where applicable the Consultation recommendations have been included within this policy. These guidelines do not apply to either trust funds or pension funds which are under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 1<sup>st</sup> March 2002 and will apply its principles to all investment activity. In accordance with the Code, the Director of Resources has produced the treasury management practices (TMPs). This part, TMP 1(5), covering investment counterparty policy requires approval each year.

**Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of 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 the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

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

**Specified Investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society. For category 5 this covers bodies with a minimum short term rating of F1 (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.
6. Eligible institutions subject to limits as for Banks 1.

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. This criteria is F1+ institutions £5m for 3 years; F1 institutions £5m and 1 year; Other institution limits AAA £3m for 3 year.

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

	<b>Non Specified Investment Category</b>	Limit (£ or %)
a.	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. The Guaranteed Export Finance Company {GEFCO})</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure, and these bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	AAA long term ratings

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.	Zero – not using
	<b>Non Specified Investment Category</b>	Limit (£ or %)
c.	Eligible Institutions – the organisation is an Eligible Institution for the HM Treasury Credit Guarantee Scheme initially announced on the 13 October 2008, with the necessary short and long term ratings required in Banks 1 above. These institutions have been subject to suitability checks before inclusion, and have access to HM Treasury liquidity if needed.	Limit as for Banks 1
d.	The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	£1m
e.	Building societies not meeting the basic security requirements under the specified investments. 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. The Council may use such building societies which are Eligible Institutions but will restrict these type of investments.	Zero – not using
f.	Any bank or building society that has a minimum long term credit rating of F1+, for deposits with a maturity of greater than one year.	Zero – not using
g.	Any non rated subsidiary of a credit rated institution included in the specified investment category.	Zero – not using
h.	Share capital or loan capital* in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. There is a higher risk of loss with these types of instruments	Zero – not using
i.	Pooled property or bond funds* – The use of these instruments will normally be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.	Zero – not using

Within categories c, d and f, and in accordance with the Code, the Council has developed additional criteria to set the overall amount of monies which will be invested in these bodies. The bodies must still have access to the Governments financial rescue package covering the period of investment.

In respect of categories g and h, these will only be considered after obtaining external advice and subsequent Member approval.

**The Monitoring of Investment Counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Butlers 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 Director of Resources, and if required new counterparties which meet the criteria will be added to the list.

### Security, Liquidity and Yield Benchmarking

**Benchmarking and Monitoring Security, Liquidity and Yield in the Investment Service** - A proposed development for Member reporting is the consideration and approval of security and liquidity benchmarks.

These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Report.

Yield – These benchmarks are currently widely used to assess investment performance. Local measures of yield benchmarks are:

- Investments – Internal returns above the 7 day LIBID rate

Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. However they have not previously been separately and explicitly set out for Member consideration. Proposed benchmarks for the cash type investments are below and these will form the basis of future reporting in this area. In the other investment categories appropriate benchmarks will be used where available.

Liquidity – This is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft - £250,000
- Liquid short term deposits of at least £3m available with a week’s notice.

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAI would generally embody less risk. In this respect the proposed benchmark is to be used:

- WAL benchmark is expected to be 0.5 years, with a maximum of 0.7 years.

Security of the investments – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody’s and Standard and Poors). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council’s investment strategy. The table overleaf shows average defaults for differing periods of

investment grade products for each Fitch long term rating category over the period 1990 to 2007.

Long term rating	1 year	2 years	3 years	4 years	5 years
AAA	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%	0.03%	0.06%
A	0.03%	0.15%	0.30%	0.44%	0.65%
BBB	0.24%	0.78%	1.48%	2.24%	3.11%

The Council's minimum long term rating criteria is currently "A", meaning the average expectation of default for a one year investment in a counterparty with a "A" long term rating would be 0.03% of the total investment (e.g. for a £1m investment the average loss would be £300). This is only an average - any specific counterparty loss is likely to be higher - but these figures do act as a proxy benchmark for risk across the portfolio.

The Council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- 0.01% historic risk of default when compared to the whole portfolio.

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.01%	0	0	0	0

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported. Where a counterparty is not credit rated a proxy rating will be applied.

## **Annex B3**

### **Treasury Management Clauses to form part of Constitution**

1. This Council will create and maintain, as the cornerstones for effective treasury management:
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
  - Suitable TMPs, setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
2. The Council will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid year review and an annual report after its close, in the form prescribed in its TMPs.
3. The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive and for the execution and administration of treasury management decisions to the Head of Finance and Revenues/Director Of Resources, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
4. The organisation nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

**RECOMMENDED ITEM FROM COUNCIL – 14<sup>TH</sup> JULY 2010**

**148. ADOPTION OF A PETITION SCHEME**

The Solicitor to the Council advised Members that under the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) requires that every local authority from 15<sup>th</sup> June 2010 has adopted a Petition Scheme.

Local authorities also need to have an on-line petition facility by the 15<sup>th</sup> December.

The CLG produced a model Petition Scheme, the Council's scheme was based on this model Petition scheme. The number of signatures required to trigger a petition is just under 1% of the population for Bolsover.

The approved Scheme will be published on the Council's website.

Moved by Councillor A. J. Hodkin, seconded by Councillor E. Watts.

**RESOLVED** that the Petition Scheme as set out in Appendix A be approved and published,

**RECOMMENDED** that the Petition Scheme be referred to Standards Committee for inclusion in the Council's Constitution.

(Head of Democratic Services/Standards - Constitution)



Council	Council	Agenda Item No.:	11
Date:	14th July 2010	Category	1 <sup>st</sup> report
Subject:	Adoption Of A Petition Scheme	Status	Open
Report by:	Head of Democratic Services		
Other Officers involved:	Solicitor to the Council		
Director	Solicitor to the Council		
Relevant Portfolio Holder	Councillor A. J. Hodkin Portfolio Holder for Resources		

### **RELEVANT CORPORATE AIMS**

Customer Focused Services

This is a statutory duty in the Local Democracy, Economic Development and Construction Act 2009

### **TARGETS**

Does the subject matter contribute to any targets specified in the Corporate Plan.  
No

### **VALUE FOR MONEY**

Please describe how the proposals deliver value for money for the Council and its customer. Not applicable – this is a statutory duty of the Councils and relates to Constitutional matters.

### **THE REPORT**

The Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) requires every local authority, from 15 June 2010, to have adopted a Petition Scheme which sets out how it will handle petitions.

In addition every local authority must have an on-line petition facility by 15 December 2010, under which anyone may set up a petition on the Authority's

website, and other petitioners may “sign up” to the petition on-line (e-petitions).

The 2009 Act introduced a duty on the part of local authorities to respond to petitions. All Councils within England are required to adopt a Petitions Scheme to deal with petitions made to the Authority.

The guidance confirms that the aim of the 2009 Act is to reinvigorate local democracy putting local authorities at the forefront of the drive to reconnect people with public and political decision-making. This democratic renewal is about restoring trust and confidence in local government and its institutions and its starting point is the citizen.

The CLG has produced a model Petition Scheme. Local authorities can choose to adopt this scheme wholesale, adapt it to their local circumstances or to design their own scheme, provided it meets the minimum requirements of the duty. The Council’s scheme is based on this model Petition scheme.

The approved Scheme is to be published on the Council’s website following approval from Council.

The main proposed thresholds to trigger petitions have been based on the Office of National Statistics (ONS) 2008 mid-term population estimate for Bolsover of 74,300. The number of signatures required to trigger a petition is just under 1% of the population of Bolsover.

#### Petition types

- Petitions requiring Council debate
- Petitions to hold a relevant accountable employee to account

#### Signatory thresholds to trigger off petitions

- 1% of the population of the District (700) signatures for petitions requiring Council debate or where it is a local matter which affects more than two wards 1% of the aggregated population of the two wards
- 350 signatures for petitions to hold a relevant accountable employee to account.

#### Co-ordination of Petitions

Guidance suggests that an officer needs to be designated as responsible for recording all petitions received, responding to petition organisers, ensuring that petitions are reported to Council or to Cabinet members as required, updating the petitions site on the Authority’s website, inviting petition organisers to attend meetings. It is suggested that these duties and co-

ordination of the scheme be carried out by existing posts within the Democratic Services Department

Relevant accountable employees

A petition to hold a relevant accountable employee to account is for the following posts:

Head of Paid Service )  
Monitoring Officer ) Statutory officers  
Section 151 Officer )  
Director of Neighbourhoods  
Director of Development

**ISSUES FOR CONSIDERATION**

The Council has a statutory duty to implement such a Petition Scheme.

**IMPLICATIONS**

Financial : There will be costs involved in setting up e-Petitions later in the year. This will be subject to a further report

Legal : This is a statutory duty as described in the report.

Human Resources : Officer time in Democratic Services in administering the scheme. It is not possible to predict the amount of time required to administer the scheme but records will be kept and workloads within Democratic Services may need to be reviewed. Increased officer time in meetings of Council and Scrutiny Committees.

**RECOMMENDATIONS that**

- (1) the Petition Scheme set out in Appendix A be approved and published,**
- (2) the Petition Scheme be referred to Standards Committee for inclusion in the Council's Constitution**

ATTACHMENT: **Yes – Petition Scheme**  
FILE REFERENCE:  
SOURCE DOCUMENT: None

## **PETITIONS SCHEME**

### **Petitions**

The Council welcomes petitions and recognises that petitions are one way in which people can let us know their concerns. All petitions sent or presented to the Council will receive an acknowledgement from the Council within 10 working days of receipt. This acknowledgement will set out what we plan to do with the petition. We will treat something as a petition if it is identified as being a petition, or if it seems to us that it is intended to be a petition.

Paper petitions can be sent to:

Democratic Services  
Bolsover District Council  
Sherwood Lodge  
Bolsover  
Chesterfield  
S44 6NF

Provision will be made by the statutory commencement date of 15 December 2010 for an e-petitions facility and a link will be added to the Scheme at a later date.

Petitions can also be presented to a meeting of the Council. These meetings take place on a four weekly basis, dates and times can be found here: [www.bolsover.gov.uk/default.aspx?page=7213](http://www.bolsover.gov.uk/default.aspx?page=7213) . If you would like to present your petition to the Council or would like your Councillor or someone else to present it on your behalf, please contact Democratic Services on (01246 242427) or email [democratic.services@bolsover.gov.uk](mailto:democratic.services@bolsover.gov.uk) 10 days before the meeting and they will talk you through the process. If your petition has received 700 signatures or more it will also be scheduled for a Council debate and if this is the case we will let you know when this will happen.

#### **Who can submit a petition?**

Any person regardless of age who lives, studies or works in the District is able to submit a petition.

#### **Merging petitions**

Where the Council receives petitions relating to the same issue we will consider amalgamating the signatories only with the approval of the petition organisers.

Who should you send a petition to?

A member of the Democratic Services Department is responsible for receiving, managing and reporting all other petitions sent to the authority. Please address petitions to:

Democratic Services  
Bolsover District Council  
Sherwood Lodge  
Bolsover  
Chesterfield  
Derbyshire  
S44 6NF Or to [democratic.services@bolsover.gov.uk](mailto:democratic.services@bolsover.gov.uk)

**What are the guidelines for submitting a petition?**

Petitions submitted to the Council must include:

- a clear and concise statement covering the subject of the petition. It should state what action the petitioners wish the Council to take.
- the contact details for the petition organiser (lead petitioner) so the Council knows who to contact
- the name, address, postcode and signature of any person supporting the petition.
- Date the petition is submitted.

**Issues specifically excluded from the Petition Scheme**

The following matters are specifically excluded under the Petitions Scheme and will not be considered:

- Any matter relating to a planning decision, including a development plan document or the community infrastructure levy
- Any matter relating to a licensing decision, including licensing applications under the Licensing Act 2003 and the Gambling Act 2005.
- Any matters for which the Standards Committee has powers for determining complaints received under the Local Assessment Framework.
- Any matter relating to an individual or entity in respect of which that individual has a right of recourse to a review or right of appeal conferred by or under any enactment.
- Any matter which is substantially the same as a petition submitted in the previous 12 months.
- Any matter which is considered to be vexatious, discriminatory, abusive or otherwise inappropriate.
- Any matter which is considered to be “exempt” under the Local Government Act 1972, Access to Information Act 1985, the Data Protection Act 1998, the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

### **What will the Council do when it receive my petition?**

An acknowledgement will be sent to the petition organiser within 10 working days of receiving the petition. It will let them know what we plan to do with the petition and when they can expect to hear from us again. It will also be published on our website.

If we can do what your petition asks for, the acknowledgement may confirm that we have taken the action requested and the petition will be closed. If the petition has enough signatures to trigger a Council debate, or a senior officer giving evidence, then the acknowledgement will confirm this and tell you when and where the meeting will take place. If the petition needs more investigation, we will tell you the steps we plan to take.

To ensure that people know what we are doing in response to the petitions we receive the details of all the petitions submitted to us will be published on our website, except in cases where this would be inappropriate. Whenever possible we will also publish all correspondence relating to the petition (all personal details will be removed). When you sign an e-petition you can elect to receive this information by email. We will not send you anything which is not relevant to the e-petition you have signed.

In the period immediately before an election or referendum we may need to deal with your petition differently – if this is the case we will explain the reasons and discuss the revised timescale which will apply. If a petition does not follow the guidelines set out above, the Council may decide not to do anything further with it. In that case, we will write to you to explain the reasons.

### **How will the Council respond to petitions?**

Our response to a petition will depend on what a petition asks for and how many people have signed it, but may include one or more of the following:-

- taking the action requested in the petition;
- considering the petition at a Council meeting;
- undertaking research into the matter;
- holding a public meeting;
- holding a consultation;
- holding a meeting with petitioners;
- referring the petition for consideration by one of the Council's Scrutiny Committees \*
- calling for a referendum;
- writing to the petition organiser setting out our views about the request in the petition.

\*Scrutiny committees are committees made up of Councillors who are responsible for scrutinising the work of the Council – in other words, a committee that has the power to hold the Council’s decision makers to account.

Where a petition relates to specific wards or area the relevant ward members will be informed when a petition is received and how it will be considered.

If your petition is about something over which the Council has no direct control (for example a local hospital) we will consider making representations on behalf of the community to the relevant body. The Council works with local partners through the Local Strategic Partnership (LSP) and where possible we will work with these partners to respond to your petition. For information on the LSP partners visit: [[www.bolsoverpartnership.org](http://www.bolsoverpartnership.org)]. If we are not able to do this for any reason (for example if what the petition calls for conflicts with Council policy), then we will set out the reasons for this to you.

If your petition is about something that a different Council is responsible for we will give consideration to what the best method is for responding to it. This might consist of simply forwarding the petition to the other Council, but could involve other steps. In any event we will always notify you of the action we have taken.

### **Full Council Debates**

If a petition contains more than 700 signatures it will be debated by the full Council unless it is a petition asking for a senior Council Officer to give evidence at a public meeting. This means that the issue raised in the petition will be discussed at a meeting which all Councillors can attend.

The Council will endeavour to consider the petition at its next meeting, although on some occasions this may not be possible and consideration will then take place at the following meeting. The petition organiser will be given five minutes to present the petition at the meeting and the petition will then be discussed by Councillors for a maximum of up to 30 minutes. The Council will decide how to respond to the petition at this meeting. They may decide to take the action the petition requests, not to take the action requested for reasons put forward in the debate, or to commission further investigation into the matter, for example by a relevant committee.

Where the Council has received several different petitions it may be necessary to limit the number to be heard at a particular meeting of the Council but we will inform you if this is the case.

Where the issue is one on which the Council’s Executive (Cabinet) are required to make the final decision, the Council will decide whether to make recommendations to inform that decision. The petition organiser will receive written confirmation of this decision. This confirmation will also be published on our website.

## **Officer Evidence**

Your petition may ask for a senior Council Officer to give evidence at a public meeting about something for which the officer is responsible as part of their job. For example, your petition may ask a senior Council Officer to explain progress on an issue, or to explain the advice given to elected members to enable them to make a particular decision.

If your petition contains at least 350 signatures, the relevant senior officer will give evidence at a public meeting of the Council's Scrutiny Committee(s). The senior staff that can be called to give evidence include:

- Chief Executive
- Director of Resources/Section 151 Officer
- Director of Neighbourhoods
- Director of Development
- Solicitor to the Council and Monitoring Officer

You should be aware that the Scrutiny Committee may decide that it would be more appropriate for another officer to give evidence instead of any officer named in the petition – for instance if the named officer has changed jobs. The Committee may also decide to call the relevant Councillor to attend the meeting. Committee members will ask the questions at this meeting, but you will be able to suggest questions to the Chair of the Committee by contacting Democratic Services on 01246 242427 up to three working days before the meeting.

## **Petitions which will not be reported**

### **Repeat Petitions**

Petitions will not normally be considered if they are received within twelve months of another petition having already been considered by the Authority on the same matter.

### **Rejected Petitions**

Petitions will not be accepted if in the opinion of the Chief Executive, they are vexatious, abusive or otherwise inappropriate or do not relate to a matter which is the responsibility of the Authority, or over which the Authority has some influence.

## **E-petitions**

The Council will introduce e-petitions which will be created and submitted through our website [a link will be provided as soon as an e-petitions scheme has been developed and implemented]. E-petitions must follow the same guidelines as paper petitions [statutory guidance to support the petitions duty at:



<http://www.communities.gov.uk/publications/communities/dutyrespondpetitionguidance>]. The petition organiser will need to provide us with their name, postal address and email address. You will also need to decide how long you would like your petition to be open for signatures. Most petitions run for six months, but you can choose a shorter or longer timeframe, up to a maximum of 12 months.

When you create an e-petition, it may take five working days before it is published online. This is because we have to check that the content of your petition is suitable before it is made available for signature.

If we feel we cannot publish your petition for some reason, we will contact you within this time to explain. You will be able to change and resubmit your petition if you wish. If you do not do this within 10 working days a summary of the petition and the reason why it has not been accepted will be published under the 'rejected petitions' section of the website.

When an e-petition has closed for signature, it will automatically be submitted to the Chief Executive. In the same way as a paper petition, you will receive an acknowledgement within 10 working days. If you would like to present your e-petition to a meeting of the Council please contact Democratic Services within 10 working days of receipt of the acknowledgement.

A petition acknowledgement and response will be emailed to the lead petitioner. The acknowledgement and response will also be published on this website.

### **How do I 'sign' an e-petition?**

You can see all the e-petitions currently available for signature here: [insert link]

When you sign an e-petition you will be asked to provide your name, your postcode and a valid email address. When you have submitted this information you will be sent an email to the email address you have provided. This email will include a link which you must click on in order to confirm the email address is valid. Once this step is complete your 'signature' will be added to the petition. People visiting the e-petition will be able to see your name in the list of those who have signed it but your contact details will not be visible.

### **What can I do if I feel my petition has not been dealt with properly?**

If you feel that we have not dealt with your petition properly, the petition organiser has the right to request that the Council's relevant Scrutiny Committee review the steps that the Council has taken in response to your petition. It is helpful to everyone, and can improve the prospects for a review if the petition organiser gives a short explanation of the reasons why the Council's response is not considered to be adequate.

The Committee will endeavour to consider your request at its next meeting, although on some occasions this may not be possible and consideration will take place at the following meeting. Should the Committee determine we have not dealt with your petition adequately, it may use any of its powers to deal with the matter. These powers include instigating an investigation, making recommendations to the Council's Executive (Cabinet) and arranging for the matter to be considered at a meeting of the full Council.

Once the appeal has been considered the petition organiser will be informed of the results within five working days. The results of the review will also be published on our website.

## PETITIONS FORM

The Council has a petitions scheme which sets out how local people can submit a petition to highlight issues of concern within their local area. It sets out what essential information needs to be included and how the Council can respond to the issues raised.

The form is intended to assist the public in setting out the issues relating to their petition but other formats are also acceptable.

Purpose of petition
Ward/Area the Petition Issues Cover
What action do you wish the Council to take in relation to this issue?
Would you like the opportunity to present this petition to a meeting of the Council? YES/NO (cross out the word that does not apply)
Would you like your Ward Councillor to present the petition on your behalf? YES/NO (cross out the word that does not apply)
Contact details of the Petition Organiser (Lead Petitioner)  Name:  (Please print)

Address (including postcode)
Contact telephone number:
Email address:
Signature of Lead Petitioner:
Date of Petition:

Please complete and return this form to:

Democratic Services  
Bolsover District Council  
Sherwood Lodge  
Bolsover  
Chesterfield  
Derbys  
S44 6NF

We, the undersigned, are submitting this petition calling for action in relation to

Name (print)	Postal address (including postcode)	Email address	Signature

Sent via email

1 June 2010

Dear Colleague

As you will no doubt be aware the Government announced in the recent Queen's Speech that the proposed Decentralisation and Localism bill will include proposals to 'abolish the Standards Board regime'. Beyond this statement, we do not currently have clear details of the scope or implications of this proposal. However, until such time as the relevant legislation is passed, the statutory framework remains operative.

We will therefore continue to work with you to support your work. In turn, we expect you to continue with your statutory duties including the assessment of allegations, and we will continue to consider cases which you refer to us.

We remain committed to ensuring that there is a proper framework of local accountability in which the public can have confidence and we wish to work with central and local government to develop any proposals. As more details emerge we will keep you informed of developments and would be interested in hearing your views about how future arrangements could most effectively work.

In the meantime, if you need clarity on any specific issues, please do continue to call our enquiries line.

Yours sincerely



Dr Robert Chilton  
Chair

# **A beginners guide to the Constitution**

## **Introduction**

We must, by law, have a Constitution but it is fairly complex. In a nutshell, the Constitution sets out how we operate and how we make our decisions.

We operate the Executive model of governance, but in some authorities there is a directly elected Mayor.

This beginners guide is an attempt to “de-mystify” it and try to put it into plain English.

Try to consider it like a book with different chapters.

## **Part 1 - Summary and Explanation**

This section contains a summary and explanation of how we operate and decisions are made in the Executive/Scrutiny system of governance. Any decisions taken by the Executive can be “called in” by Scrutiny the decision is then considered by Scrutiny Committee.

## **Part 2 – Articles of the Constitution**

This section is split into “Articles”

Article 1 explains the powers, purpose and review of the Constitution. The Constitution does not stay the same, sometimes changes are made. When changes need to be made, a report is considered by the Standards Committee which sends its recommendations to Council for consideration.

Article 2 – this tells you how many councillors there are, who is eligible to stand as a councillor, their term of office and their key roles. Councillors must observe the Members Code of Conduct and Protocol on Member/Officer Relations.

Article 3 – this deals with the citizens rights to information and participation.

Article 4 – this section deals with the Budget and Policy Framework which includes various plans and strategies and functions reserved to the Council.

Article 5 – this deals with the role of the Chair of the Council.

Article 6 – this deals with the establishment of a Scrutiny Committee, its role and functions.

Article 7 – this deals with the Executive, its role, composition, the leader and other members and meetings of the cabinet.

Article 8 – this deals with the appointment of regulatory committees, e.g. Licensing and Planning.

Article 9 – this deals with the Standards Committee, its composition, role and function.

Article 10 – this allows for the establishment of area committees and forums.

Article 11 – this allows for the Council and the Executive, in order to promote the economic, social or environmental well-being of its area, to enter into joint arrangements.

Article 12 – sets out the management structure of the Council, the three statutory officers and their functions.

Article 13 – deals with decision making and the types of decision – those reserved to Council, key decisions of the Executive and decisions of other committees and sub-committees.

Article 14 – this section deals with financial management, contracts, legal proceedings and the authentication of documents.

Article 15 – deals with the duty to monitor and review the Constitution and the procedure to make changes.

Article 16 – deals with the procedure to suspend the Constitution, which rules may be suspended and the publication of the Constitution.

### **Part 3 – Responsibility for Functions**

This part of the constitution deals with responsibility for functions – Council, Local Choice and Executive and Cabinet responsibilities. We currently do not have any Local Choice responsibilities.

All Committees have terms of reference which specify what powers they can exercise and where they have to recommend to Council for a decision to be made.

#### **Part 4.1 – Council Procedure Rules**

This section deals with the dates, time and venue of meetings of the Council and the notice of and summons to attend. It also deals with quorum, how many members need to be in attendance for the meeting to go ahead, the procedure and voting at the meeting.

#### **Part 4.2 – Access to Information Procedure Rules**



This section deals with access to information, right to attend meetings, notice to attend meetings and access to agendas and reports, access to background papers, exclusion of the public from meetings under Schedule 12A. In addition it outlines the procedure before the Executive can take key decisions included in the Forward Plan.

A key decision, as defined in Article 13 of our Constitution is a decision by the Executive, which is likely to:

- Result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;

Or

- Be significant in terms of its effects on communities living or working in two or more electoral wards in Bolsover district.

We have decided that the level of expenditure/savings, which is significant for the purpose of defining a Key Decision, is £50,000.

We will also treat a decision which has a significant impact on communities in one ward as a key decision.

A decision taker may only make a key decision in accordance with the Executive Procedure Rules.

### **Part 4.3 – Budget and Policy Framework Procedure Rules**

This section outlines the plans and strategies forming part of the Budget and Policy Framework and lists stakeholders to be consulted on each plan/strategy. Council will be responsible for adopting the Budget and Policy framework but it will be the responsibility of the Executive to implement it.

The process for developing the framework, decisions outside the framework, urgent decisions outside the framework, transfer of money from one budget to another, in year changes to the framework and Scrutiny call in of decisions outside the framework are outlined.

### **Part 4.4 – Executive Procedure Rules**

This section deals with how Executive decisions are taken, the Delegation Scheme and Executive functions, what to do if there is a conflict of interest, when and where the Executive will meet and the quorum. In addition it deals with the conduct of meetings, consultation and who may put items on the agenda.

### **Part 4.5 – Scrutiny Procedure Rules**

This section deals with the number and arrangements for Scrutiny Committee(s), the terms of reference, who may serve on the committee, co-optees, when and where they will meet, quorum and the Chairs. In addition the Scrutiny Committee(s) will agree its own work programme. In addition this section specifies who may include items on the agenda, its role in respect of policy review and development and its recommendations to Executive or Council. Scrutiny may scrutinise and review decisions and may require attendance by Members of the Executive or Officers to attend. Decisions of the Executive can be “called in” and this procedure is outlined in Part 4.6 of the Constitution.

#### **Part 4.6 – Procedure for “Call In” by Scrutiny Committee**

This section outlines the procedure of how Scrutiny members may “call in” decisions made by the Executive.

#### **Part 4.7 – Financial Regulations**

This section deals with Council finances. All employees must abide by the Financial Regulations.

#### **Part 4.8 – Contracts Standing Orders**

This part also deals with financial matters where a contract is over £50,000 in value. **Any Contract over £50,000 should be included in the Forward Plan.**

Contracts for a lesser value are still governed by Financial Regulations.

Contracts over £50,000 are subject to tender and the procedure is outlined in this part of the Constitution.

#### **Part 4.9 – Officer Employment Procedure Rules**

This section deals with recruitment, appointment, interview panels and disciplinary action.

#### **Part 4.10 – Officer Delegation Scheme**

This section specifies the powers of officers to carry out their duties, for example Proper Officer Appointments, where functions of the Council have been delegated, where exercise of these functions needs to be in consultation with members, management delegations and those in consultation with members.

#### **Part 4.11 – Members Delegation Scheme**

This lists any items that members can determine.

#### **Part 5.1 – Members Code of Conduct**

All members elected to the Council as part of their Declaration of Acceptance of Office undertake to observe the Code of Conduct. The Code of Conduct deals with general obligations, personal interests and disclosure of personal interests, prejudicial interests and the effect on participation. Within 28 days of being elected, or adoption of the Code by the authority, members must register their personal interests.

The Code of Conduct also deals with the registration of gifts and hospitality, expenses and allowances, the duty to co-operate with officers and Committees. In addition there is a Member/Officer Protocol and Code of Conduct for members involved on the Planning Process. Whilst these do not form part of the Code of Conduct they provide guidance which should be followed.

From time to time complaints are made against members. The Criteria for the Assessment of Complaints about members is contained in this section of the Constitution.

### **Part 5.2 – Employee Code of Conduct**

This Code of Conduct relates to conduct of Council employees. It deals with standards of service, disclosure of information, the need to be politically neutral, and relationships with councillors, the community and contractors.

The code deals with appointment of staff. Officers on an Interview Panel should not be involved where they are related to the applicant, or have a close personal relationship with the applicant.

The code also deals with outside interests, secondary employment, intellectual property, personal interests, equality issues, separation of roles during tendering, corruption, acceptance of gifts and hospitality, use of financial resources and sponsorship.

### **5.3 – Protocol on Member/Officer Relations**

This protocol is guidance to both members and officers in their relations with one another. The guidance also covers officer support to party groups, support services to members and party groups, members access to information and Council documents, confidentiality, officer/chairperson relationship, correspondence, involvement of ward councillors on local issues, wearing of identity badges.

### **5.4 – Code of Good Practice for Members and Officers involved in the Planning Process**

The guidance was developed to assist members of the Planning Committee following some high profile public inquiries over the years. It applies to all members of the committee and lists other publications that are helpful.

In addition to the guidance all members of the Planning Committee must attend training on planning matters and if a member is unsure about whether they need to declare an interest, they must seek the advice of the Council's Monitoring Officer.

### **5.5 – Elected Member/Officer Communication Protocol**

This protocol deals with the channels members should go through to request services and information and is in addition to the Protocol on Member/Officer relations.

### **5.6 – Protocol for Carrying out the Role of Monitoring Officer**

This protocol deals with the role of the Monitoring Officer to ensure that all reports to members have been checked and do not raise issues of concern regarding legality, probity, vires and constitutional matters.

In addition the Monitoring Officer is responsible for preparing a programme of training for members on the ethical framework, with the approval of Standards Committee.

### **5.7 to 5.11 – Job Descriptions**

This section has job descriptions for the Leader, Member of the Executive, Scrutiny Member and Chairman of the Council.

### **Part 6 – Members Allowance Scheme**

This section is the members allowance scheme that has been recommended by the Independent Remuneration Panel and agreed by the Council.

### **And Finally**

This guide is not meant to be comprehensive but to point “users” where to look for further, fuller information contained in the constitution. If you would like any additional assistance please contact the Democratic Services Team on 01246 ????? or email [democratic.services@bolsover.gov.uk](mailto:democratic.services@bolsover.gov.uk)

Complaints to the Standards Board

Year	Number	PC	DC	Review requested	ESO investigation	Monitoring Officer investigation	Hearing
2002	3	2	1		3		2
2003	10	5	5		5		1
2004	12	8	4		3	0	0
2005	6	3*	3		2	0	0
2006	10	9	1		3	1	0
2007	3	2	1		0	0	0
2008 to 8/5/08	2	1	1		0	0	0
2008 from 8/5/08	9	6	4**	1	2	5	
2009	17	13	4***	0	2	5	
2010	5	5	0	0	0	0	

\* 1 complaint was made against an entire Parish Council but this has been shown as one complaint

\*\* 1 complaint was against a councillor as both a Parish and District Councillor.

\*\*\* Each of the 4 complaints was against 4 councillors

Note

There is 1 complaint from 2008 which has not yet been concluded and 2 from 2009.

New table:-

Average time taken to reach a decision by the LAC

Year	Number of LACs	Average number of days per LAC decision.
2010	5	16

21<sup>st</sup> July 2010

### DRAFT STANDARDS COMMITTEE WORK PLAN 2010/111

ITEM	MILESTONES	DATES OF MEETINGS	COMMENTS	STATUS
1. Annual report to Council by Chairman of Standards Committee		•	<b>The Chairman presented the Annual Return sent to Standards for England to the June Council meeting.</b>	• Done
2. Introduction of new code of conduct.			This is expected after the General Election. <b>There is no further news on this.</b>	• Not yet started
3. Introduction of system for obtaining feedback on the management of complaints.				• Not yet started
4. Review of training needs – District and Parish Councillors	<ul style="list-style-type: none"> <li>• District Councillors</li> <li>• Parish Councillors</li> <li>• Monitoring of attendance</li> </ul>	<ul style="list-style-type: none"> <li>• progress reports at each meeting</li> </ul>	<ul style="list-style-type: none"> <li>• This is being arranged for June/July. <b>8 District Cllrs have not yet attended and will be pursued.</b></li> <li>• It is proposed that this year no further training is given to Parish and Town Councillors</li> </ul>	• Ongoing
5. Code of Conduct induction training for both District and Parish/Town Councillors following May 2011 elections.	<ul style="list-style-type: none"> <li>• District Councillors</li> <li>• Parish Councillors</li> <li>• Monitoring of attendance</li> </ul>	<ul style="list-style-type: none"> <li>• progress reports at each meeting</li> </ul>	•	• Not yet started
6. Annual Reports -	<ul style="list-style-type: none"> <li>• Year end number of complaints against District and Parish Councillors received by the Standards Board</li> </ul>	•	The figures are available in the regular report	• Not yet started

ITEM	MILESTONES	DATES OF MEETINGS	COMMENTS	STATUS
	<ul style="list-style-type: none"> <li>• Gifts and hospitality Registers</li> <li>• RIPA</li> </ul>	<ul style="list-style-type: none"> <li>• .</li> <li>• .</li> </ul>	<ul style="list-style-type: none"> <li>• .</li> <li>• .</li> </ul>	
7. Review of Standards Committee Hearings Procedure	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Following the introduction of local assessment this needs review. Work has been halted on this to accommodate other aspects of the work plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Not yet started</li> </ul>
8. Liaison meetings	<ul style="list-style-type: none"> <li>• Meeting of Chairman with District Council's CEO</li> <li>• Meeting of Chairman with each of the 3 political parties' Leaders</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• This meeting is due in April 2011.</li> <li>• These are to be arranged for the Autumn.</li> </ul>	<ul style="list-style-type: none"> <li>• Not yet started</li> </ul>
9. Planning probity work	<ul style="list-style-type: none"> <li>• To be determined in 2009/2010</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• I will consult the Development Control Manager as to when he thinks this will be carried out.</li> </ul>	<ul style="list-style-type: none"> <li>• Not yet started</li> </ul>
10. Review of guidance to members involved with the Planning process	<ul style="list-style-type: none"> <li>• To be determined in 2009/2010</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• I will consult the Development Control Manager as to when he thinks this will be carried out.</li> </ul>	<ul style="list-style-type: none"> <li>• Not yet started</li> </ul>
11. Review of Constitution			<p><b>Members to decide what aspects of the Constitution they wish to be reviewed in addition to the ones transferred from the Standards Committee 2009/2010 Work plan. Members should also be aware that there are proposals for change from the new Government. Details are awaited.</b></p>	<ul style="list-style-type: none"> <li>• Not yet started</li> </ul>



ITEM	MILESTONES	DATES OF MEETINGS	COMMENTS	STATUS
	Contracts Standing orders	• .	• Work is continuing.	• Ongoing
	Financial Regulations review	• .	• The Director of Resources is reviewing Financial Regulations	• Ongoing
	Review of member Job Descriptions	• .	• Executive members have asked that the full set be provided, including those for Scrutiny members following the introduction of the new Scrutiny arrangements.	• Ongoing
	Delegation Scheme	•	•	• Ongoing
12. Introduction of new statutory rules on Petitions into the Constitution.	•	• 3 <sup>rd</sup> August 2010.	• This is on this agenda	• Done
13. Development of the Annual Standards Committee work plan for 2011 to 2010	•	• .	•	• Not yet started
14. Partnership Governance arrangements and the ethical framework?	• Scoping report	•	•	• Ongoing
15. Monitoring Officer Protocol with the Parish and Town Councils	•	• .	•	• Ongoing
16. Consideration of further publicity	•	•	•	• Ongoing

ITEM	MILESTONES	DATES OF MEETINGS	COMMENTS	STATUS
required for the Standards Committee and to publicise the work of the Standards Committee.				
17. Annual consideration of publicity requirements for the Local Assessment of complaints against members procedures	• .	•	•	• Not yet started
18. Review of Constitution User Guide	•	•	• The Head of Democratic Services is to present this at the first meeting in the new corporate year. <b>It is expected that this will be on this agenda.</b>	• Ongoing

## STANDARDS COMMITTEE

### AGENDA

Tuesday 3<sup>rd</sup> August 2010 at 1400 hours

Item No.		Page No.(s)
	<b>PART 1 – OPEN ITEMS</b>	
1.	To receive apologies for absence, if any.	
2.	Shadow Vice Chair.	
3.	Members should declare the existence and nature of any personal or prejudicial interests in respect of:-  a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items  and, if appropriate, withdraw from the meeting at the relevant time.	3
4.	Minutes of a meeting held on 10 <sup>th</sup> May 2010.	4 to 8
5.	Minutes of a special meeting held on 9 <sup>th</sup> June 2010.	9 to 11
6.	Recommended Item from Council held on 30 <sup>th</sup> March 2010. Minute No. 849 - Treasury Management Strategy 2010/11 <b>Recommendation on Page 13</b>	12 to 40
7.	Recommended Item from Council held on 14 <sup>th</sup> July 2010. Minute No. 148 Adoption of a Petition Scheme <b>Recommendation on Page 41</b>	41 to 54
8.	Amendments to Constitution following Adoption of Petition Scheme.	To Follow
9.	Letter from Standards for England.	55
10.	Departmental Gifts and Hospitality Register.	To Follow
11.	A Beginners Guide to the Constitution.	56 to 61
12.	Complaints to the Standards Board	62 to 63
13.	Draft Standards Committee Work Plan 2010/11	64 to 67

Date: 27<sup>th</sup> July 2010

Dear Sir or Madam,

STANDARDS COMMITTEE – 3<sup>RD</sup> AUGUST 2010

I refer to your recently circulated agenda for the above meeting and now enclose the following:-

<u>Open Item</u>	<u>Pages</u>
Agenda Item 8 – Amendments to the Constitution following Adoption of Petition Scheme.	1 to 4

Yours faithfully,

Chief Executive Officer

To: Chairman & Members of the Standards Committee

Committee:	Standards Committee	Agenda Item No.:	8.
Date:	3rd August 2010	Category	
Subject:	Amendments to Constitution Following Adoption of Petition Scheme	Status	Open
Report by:	Head of Democratic Services		
Other Officers involved:			
Director	Solicitor to the Council		
Relevant Portfolio Holder	Councillor A. J. Hodkin, Portfolio Holder for Resources		

### **RELEVANT CORPORATE AIMS**

It is a Statutory Duty of the Local Democracy, Economic Development and Construction Act 2009 to introduce provisions for dealing with Petitions.

### **TARGETS**

Does the subject matter contribute to any targets specified in the Corporate Plan.  
No

### **VALUE FOR MONEY**

Please describe how the proposals deliver value for money for the Council and its customer. Not applicable.

### **THE REPORT**

The Council, at its meeting on the 14<sup>th</sup> July 2010 adopted a Petition Scheme as required under the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act). As a result the following amendments are required to the Council's constitution:-

Part 1 Citizen's Role (add)

Submit a petition to the Council in accordance with the Council's adopted Petition Scheme. Details of the scheme can be obtained from Democratic Services Department, the four Contact Centres and from the Council's website at [www.bolsover.gov.uk](http://www.bolsover.gov.uk)

Part 2 Articles of the Constitution – Article 3(3) Participation (add)

The Council has also adopted a Petition Scheme which will enable citizens to submit petitions to the authority.

Part 2 Articles of the Constitution – Article 4.2 Functions of the Council (add)

Debate petitions to the Authority which contain 1% of the population of the District (700 signatures).

Consider any referral from a Scrutiny Committee where an appeal has been made against how the Council has dealt with a petition.

Part 2 Articles of the Constitution – Article 6.3 Scrutiny Committee – Specific Functions (add)

Petitions

- (i) deal with petitions that contain at least 350 signatures requiring a relevant employee to give evidence at Scrutiny Committee on a matter for which the officer is responsible as part of their job.
- (ii) Deal with requests from petition organisers to review the proceedings undertaken by the Authority in response to a petition and determining the appropriate course of action to deal with it.

Part 3 Responsibility for Functions – 3.2 Council Functions (add)

Debate petitions to the Authority which contains 1% of the population of the District (700 signatures).

Part 3 Responsibility for Functions – 3.3 Executive Functions (add)

To respond to the views of the Council on petitions which have been debated at Council where the petition relates to an executive function or executive matters.

Part 3 Responsibility for Functions – 3.6 Committee Terms of Reference (2), (3) and (4) (add to the end of each)

- (i) deal with petitions that contain at least 350 signatures requiring a relevant employee to give evidence at Scrutiny Committee on a matter for which the officer is responsible as part of their job;

*Relevant accountable employees; A petition to hold a relevant accountable employee to account is for the following posts:*

*Head of Paid Service )  
Monitoring Officer ) Statutory officers  
Section 151 Officer )  
Director of Neighbourhoods  
Director of Development*

- (ii) deal with requests from petition organisers to review the process undertaken by the Authority in response to a petition and determining the appropriate course of action to deal with it.

Part 4 Rules of Procedure – 4.1.10 Questions by the Public (add section)

Petitions Requiring a Council Debate

The Council will debate any petition received by the Authority which contains 1% of the population of the District (700 signatures).

The procedure for dealing with petitions which have triggered a Council debate are as follows:

- (i) The petition organiser (or councillor representing the petitioner) will have five minutes in which to present the petition to Council and outline what the petition seeks to achieve.
- (ii) Where the petition relates to no more than two wards, a member from those wards will be the first member to speak in the debate, following the petition organiser and will propose a motion relating to the action sought by the

petition. A seconder to the motion to be sought. Where it is a matter that relates to more than two wards, the vice-chairman of the Council will be the first member to speak and propose a motion for debate.

- (iii) Members to have a maximum of 30 minutes to debate the petition.
- (iv) At the end of the debate or when no further members have indicated to the Chairman their wish to speak, whichever is the sooner, the motion will be put to the vote.
- (v) If following the vote the matter is for the Executive to deal with, the appropriate Portfolio Holder will be given the opportunity to speak after the debate.
- (vi) The Council's rules of debate in 4.1.16 shall apply.

Part 4 Rules of Procedure – 4.5.13 Members and Officers Giving Account (add)

To ensure that meetings at which relevant accountable employees, who are giving evidence in response to a petition, are conducted in a professional and fair manner.

### **ISSUES FOR CONSIDERATION**

Whether to amend the Constitution to take account of the adopted Petition Scheme.

### **IMPLICATIONS**

Financial : None.  
Legal : The Petition Scheme is a statutory requirement.  
Human Resources : None.

**RECOMMENDATION that the Council be recommended to include in the Council's Constitution the amendments as specified in the report.**

**ATTACHMENT: The Approved Petition Scheme is attached at pages 45 to 54 of the agenda.**



Date: 28<sup>th</sup> July 2010

Dear Sir or Madam,

STANDARDS COMMITTEE – 3<sup>RD</sup> AUGUST 2010

I refer to your recently circulated agenda for the above meeting and now enclose the following:-

<u>Open Item</u>	<u>Pages</u>
Agenda Item No. 10 - Departmental Gifts and Hospitality Registers	1 to 3

Yours faithfully,

Chief Executive Officer

To: Chairman & Members of the Standards Committee  
Other Members of the Council for information

Committee:	Standards Committee	Agenda Item No.:	10.
Date:	3 <sup>rd</sup> August 2010	Category	
Subject:	Departmental Gifts and Hospitality Registers	Status	Open
Report by:	Solicitor to the Council		
Other Officers involved:	Legal Support Officer		
Director	Solicitor to the Council		
Relevant Portfolio Holder	This affects all Members		

### **RELEVANT CORPORATE AIMS**

STRATEGIC ORGANISATIONAL DEVELOPMENT – Continually improving our organisation.

This review is carried out annually to check on the keeping of the registers and so that the results can be used to help enable Standards Committee to evaluate what changes/improvements need to be made to the ethical framework

### **TARGETS**

This report relates to the ethical framework and how the Council carries out its business. It does not relate to a particular target.

### **VALUE FOR MONEY**

Not applicable

### **THE REPORT**

In accordance with the Standards Committee Work Plan, I reviewed all the departments' Gifts and Hospitality Registers. I was checking for the following:-

1. That a Register could be provided for checking.
2. That the Register contained the up to date guidance and correct forms.
3. That where entries had been made, such entries complied with the requirements.

This inspection was carried out in July 2010 for the previous 15 months. There are 20 registers in all and all but 4 complied with the above 3 requirements. The 4 departments had not complied in minor ways and have been reminded to complete in full the forms etc. A number of gifts and hospitality offered had been rejected.

More extensive guidance is available on ERIC. This is sometimes reproduced on the registers which is good practice. In addition, following the session on gifts and hospitality that I did at the depot, the presentation forms an extra piece of guidance on the Street Services Register.

A further check was carried out in relation to the number of entries made per department and the results are as follows:-

Type of entry Number

Flowers	2 (2)
Diaries/Calendars etc	48 (13)
Meals	8 (5)
Overnight stay	0 (2)
Box of chocolates	15 (5)
Other	42 (8)
Total	115 (35)

The figures for the previous year are in brackets.

As can be seen above the nature of the gifts and hospitality is relatively modest. The number of gifts and hospitality has increased mainly as a result of an increase in Street Services. Though they were the highest last year with 12 entries, this has gone up to 35 as can be seen in the table below. I believe this can be put down to better reporting following the session I did at the depot and the general raising of awareness which ensued.

For members information, the "other" category includes small items such as a book of 1<sup>st</sup> class stamps, a hat and scarf, tape measures, a book, a box of biscuits, tickets to a darts tournament, tickets to 2 football matches, kitchen caddies and a memory stick.

In relation to the numbers per department:-

Department Numbers	
CSPD, Finance, Procurement, Clowne Contact Centre, Bolsover Contact Centre, South Normanton Contact Centre.	0
Community Services, HR and Payroll, CEO and CEPT, Planning	1
Revenues and Benefits, Shirebrook Contact Centre	2
Democratic Services, Legal	3
Leisure	4

ICT	8
Housing	9
Environmental Health	10
Regeneration	16
Street Services	30

Last year the spread was 0 to 12 maximum for one department.

It is not proposed to do anything further in relation to the departmental registers.

### **Members**

Members no longer have a Register of Gifts and Hospitality. Their Register of Interests form includes provision for members to make a declaration of receipt. All forms submitted by members since May 2007 have been checked and show that no member has declared the receipt of gifts or hospitality in that period, including on recently revised forms below.

In relation to District Councillor's Register of Interests entries, an exercise has been carried out to update the forms by reminding members of their need to review following the Annual Meeting changes. This has resulted in the majority of members providing new forms or confirming there are no changes.

### **ISSUES FOR CONSIDERATION**

It is for members to consider the outcome of the review of the Gifts and Hospitality Registers.

### **IMPLICATIONS**

Financial: None.

Legal: It is good practice to review the Registers annually and to send appropriate reminders on a regular basis. In Bolsover's case a reminder is sent to members annually.

Human Resources: None.

### **RECOMMENDATION(S) that;**

- 1. the outcome of the review be noted,**
- 2. an item is put on the weekly bulletin confirming completion of the review.**

**ATTACHMENT: N FILE REFERENCE: None SOURCE DOCUMENT: Departments' and Members' Registers of Gifts and Hospitality.**