

STONE TOWN COUNCIL

Town Clerk

Les Trigg

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23 July 2018

You are hereby summoned to attend a meeting of the **TOWN COUNCIL**, to be held in **St Michael's Suite at the Frank Jordan Centre, Lichfield Street, Stone** on **TUESDAY 31 JULY 2018** at **7.00pm** when the following business will be transacted.

Les Trigg
Town Clerk

Agenda

1. **To receive apologies for absence**
2. **Declarations of Interest and Requests for Dispensations**
3. **Representations from Members of the Public**

Representation from Mr G. Berriman

"I would like to ask the Council how it intends to recognise the contribution of Lt Karl Jacobsen, 331 Squadron, the Royal Norwegian Air Force, who died whilst flying the "Star of Stone" spitfire during World War II."

4. To confirm as a correct record the minutes of the Meeting of the Town Council held on the 3 July 2018, Minute No's. C19/024 – C19/034 (attached)
5. **To receive the minutes and decisions of the under mentioned Committees:**
 - a) Planning Committee Meeting held on 3 July 2018, Minute Numbers P19/016 – P19/020 (attached)
 - b) General Purposes Committee Meeting held on 3 July 2018, Minute Numbers GP19/037 – GP19/053 (attached)
 - c) Planning Committee Meeting held on 17 July 2018, Minute Numbers P19/021 – P19/025 (attached)
 - d) General Purposes Committee Meeting held on 17 July 2018, Minute Numbers GP19/054 – GP19/059 (attached)

6. **Council Investment Strategy**

To consider the report of the Town Clerk (attached)

NOTE: Appendix 1 of this report is included in the electronic and web versions only due to its size.

7. **Local Government Transparency Code 2015
Openness of Public Bodies Regulations 2014**

Information for Quarter Ending 30 June 2018 (attached)

8. **To receive the forthcoming Civic Announcements** (attached)

9. **To receive the Town Mayor's and Deputy Town Mayor's Reports of Engagements** (attached)

10. **Exclusion of the Public and Press**

To resolve, pursuant to the Public Bodies (admission to Meetings) Act 1960, the Public and Press be excluded from the meeting whilst the next item of business is discussed on the grounds that publicity would be prejudicial to public interest by reason of the confidential nature of the debate.

11. **To confirm as a correct record the confidential minutes of the Meeting of the Town Council held on 3 July 2018, Minute Numbers C19/024 and C19/034** (attached)

Members of the public are welcome to attend the Council Meeting as observers.

Stone Town Council

Minutes of the meeting held in St Michael's Suite, Frank Jordan Centre, Lichfield Street, Stone, on Tuesday 03 July 2018

PRESENT: Councillor Mrs K. Green in the Chair, and
Councillors: J. Davies, Mrs J. Farnham, Mrs J. Hood, R. Kenney, Mrs E. Mowatt,
M. Green, M. Williamson, P. Leason, Mrs M. Goodall, M. Shaw, I. Fordham,
A. Osgathorpe and Mrs J. Piggott

ABSENT: Councillors: T. Jackson, G. Collier, Mrs C. Collier and G. Neagus

Before the meeting began Reverend Prebendary I. Cardinal gave prayers

C19/024 Apologies

Apologies were received from Councillors: T. Jackson, G. Collier and Mrs Collier

C19/025 Declarations of Interest and Requests for Dispensations

None received

C19/026 Representations from Members of the Public

Representation from Jane Kelly

I'd like to thank the Council for its efforts to re-establish a Post Office in Stone. In its role as advocate for Stone residents, who are keen to have the Post Office back, could I ask whether it has considered what it might do if the current proposal falls through? Could I also ask whether it is lobbying those responsible for libraries to persuade them to retain the library in Stone?

The Chairman of the General Purposes Committee, Councillor Kenney, advised Ms Kelly that the Town Council has been working closely with the Post Office since the closure of the Co-op was announced in order to return essential Post Office services to the High Street as soon as possible. The Council has also provided a bus service to take local people to an alternative facility whilst the service has been unavailable. Councillor Kenney advised that a new Post Master had been appointed and premises for a Post Office in Stone had been found. He is optimistic that the outcome for the town will be positive.

A report on libraries will be given by County Councillor Mrs J. Hood in the General Purposes Committee meeting.

* Items marked with an asterisk refer to reports or papers circulated with the agenda or distributed at the meeting. They are attached as an appendix to the signed copy of the Council minutes.

C19/027 **Minutes**

RESOLVED:

That the minutes of the Annual Public Meeting held on the 17 April 2018, copies having been circulated to the members, be signed by the Chairman as a correct record.

C19/028 **Minutes**

RESOLVED:

That the minutes of the Meeting of the Town Council held on the 5 June 2018, copies having been circulated to the members, be signed by the Chairman as a correct record.

C19/029 **Committee Minutes**

RESOLVED:

- a) That the minutes of the Planning Committee Meeting held on the 5 June 2018, copies having been circulated to members, be signed by the Chairman as a correct record.
- b) That the minutes of the General Purposes Committee Meeting held on the 5 June 2018, copies having been circulated to members, be signed by the Chairman as a correct record.
- c) That the minutes of the Planning Committee Meeting held on 19 June 2018, copies having been circulated to members, be signed by the Chairman as a correct record.

C19/030 **Local Government Transparency Code 2015**
Openness of Public Bodies Regulations 2014

The report of the Local Government Transparency Code 2015* and Openness of Public Bodies Regulations 2014 were noted for the quarter ending 31 March 2018.

C19/031 **Civic Announcements**

The Civic Announcements, which had been previously circulated were noted.

C19/032 **Town Mayor's and Deputy Town Mayor's Reports of Engagements**

The Town Mayor's and Deputy Town Mayor's Announcements, which had been previously circulated, were noted.

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The meeting was suspended at this point to enable the open session of the General Purposes Committee Meeting and the Planning Committee Meeting to take place.

C19/033 To resolve, pursuant to the Public Bodies (Admission to Meetings) Act 1960, the Public and Press be excluded from the meeting whilst the next item of business is discussed on the grounds that publicity would be prejudicial to public interest by reason of the confidential nature of the debate

RESOLVED: To exclude the Press and Public from the next item of business.

C19/034 Confidential Minutes

RESOLVED:

That the confidential minutes of the Town Council Meeting held on the 5 June 2018, copies having been circulated to members, be signed by the chairman as a correct record.

TOWN MAYOR

* Items marked with an asterisk refer to reports or papers circulated with the agenda or distributed at the meeting. They are attached as an appendix to the signed copy of the Council minutes.

Stone Town Council – Planning Committee

Minutes of the meeting held in the St Michael's Suite, Frank Jordan Centre, Lichfield Street, Stone, on Tuesday 3 July 2018

PRESENT: Councillor A. Osgathorpe in the Chair, and
Councillors: R. Kenney, M. Green, Mrs J. Hood, J. Davies, M. Shaw,
Mrs J. Farnham, Mrs E. Mowatt, Mrs K. Green, M. Williamson, Mrs M. Goodall,
P. Leason, I. Fordham and Mrs J. Piggott

ABSENT: Councillors: T. Jackson, Mrs C. Collier, G. Collier and G. Neagus

P19/016 **Apologies**

Apologies were received from Councillors: T. Jackson, Mrs C. Collier and G. Collier

P19/017 **Declarations of Interest and Requests for Dispensations**

None

P19/018 **Representations from Members of the Public**

None received

P19/019 **Planning Applications**

Application Number – 18/28583/ANX

Applicant – Mr D. Sambrook

Location – 38 Simeon Way, Stone

Development – Alterations and extensions to existing garage for use of ancillary aged person accommodation

Observations: No objections

Application Number – 18/28685/HOU

Applicant – Mrs E. Valentine

Location – 94 Navigation Loop, Stone

Development – Garage conversion and additional window to existing bathroom

Observations: No objections

Application Number – 18/28072/FUL (Amended Plans)

Applicant – The School Governors, St Dominic's Priory School

Location – St Dominics School, 21 Station Road, Stone

Development – Replacement teaching block

Observations: No objections

Application Number – 18/28624/ADV

Applicant – Admiral Taverns

Location – Talbot Inn, 88 Station Road, Stone

Development – Replacement illuminated and non-illuminated signs to the exterior of building

Observations: No objections

Application Number – 18/28702/NHPD was withdrawn from the agenda

Application Number – 18/28754/HOU

Applicant – Miss R. Selby

Location – 82 Station Road, Stone

Development – Proposed loft conversion with roof windows to rear

Observations: No objections subject to the Conservation Officer’s approval.

P19/020

To note the following items considered under delegated powers where no objections were forwarded to Stafford Borough Council due to no Member asking for the item to be considered by a special meeting of the Committee.

None

Town Mayor

Stone Town Council – General Purposes Committee

Minutes of the meeting held in St Michael's Suite, Frank Jordan Centre,
Lichfield Street, Stone
on Tuesday 3 July 2018

PRESENT: Councillor R. Kenney in the Chair and
Councillors: M. Green, Mrs J. Hood, J. Davies, M. Shaw, P. Leason, Mrs J. Farnham,
Mrs M. Goodall, Mrs E. Mowatt, A. Osgathorpe, M. Williamson, I. Fordham,
Mrs J. Piggott and Mrs K. Green

ABSENT: Councillors: T. Jackson, Mrs C. Collier, G. Collier and G. Neagus

GP19/037 **Apologies**

Apologies were received from Councillors: T. Jackson, Mrs C. Collier and G. Collier

GP19/038 **Declarations of Interests**

Councillor J. Davies declared a personal interest in Minute Number GP19/049

GP19/039 **Requests for Dispensations**

None

GP19/040 **To receive the Report of the County Councillors**

County Councillor Mrs J. Hood

Potholes – Councillor Mrs Hood reported that County Highways are working hard to complete a large pothole repair program, but pavements remain a problem.

Libraries – Councillor Mrs Hood reported that Staffordshire County Council's Cabinet will be making a decision about libraries on 18 July 2018. She gave a very clear message about the need to use these facilities to prevent losing them as new lenders and visitor numbers to libraries are falling. The pressure on County budgets has never been greater as resources are focussed on social care. A range of new initiatives are being introduced to encourage greater use of libraries which include: a broad schedule of activities, making rooms available for hire, self-service technology and an extension of opening hours.

County Councillor I. Parry

Councillor Parry was not in attendance at the meeting.

GP19/041 **Representations from Members of the Public**

None

GP19/042 Minutes

RESOLVED:

- a) Tourism & Town Promotion Sub-Committee held on 19 June 2018, copies having been circulated to Members, be signed by the Chairman as a correct record and that the recommendations of the Sub-Committee contained in Minute Numbers TTP19/004 and TTP19/005 be adopted.
- b) Mayor' Charities Sub-Committee held on 19 June 2018, copies having been circulated to Members, be signed by the Chairman as a correct record and that the resolutions contained in Minute Numbers MC19/003 and MC19/004 be noted.

GP19/043 Bollards at the Top of the High Street

The Committee considered the future operation of the bollards at the top of the High Street following the withdrawal of funding (for their installation and removal at set times during the day) by Staffordshire County Council. An email dated 8 June 2018 from the Neighbourhood Services Group Manager was noted.

RESOLVED: That Stone Town Council writes to Stafford Borough Council to ask that arrangements are made to resume the daily bollard placement and removal services for the purpose of providing a safe pedestrianised High Street. The costs involved in doing this should be shared equally between Stone Town Council and Stafford Borough Council.

GP19/044 National Pay Award 2018-19 and 2019-20

The Committee considered the report* of the Town Clerk which provided information on the outcomes of the 2018-19 national pay award negotiations for local government staff and its impact on the Council.

RESOLVED: To adopt the new National Joint Council for Local Government Services pay scales for staff for 2018-19 and 2019-20 as set out in the Report.

GP19/045 Sale of Land at Tilling Drive by Stafford Borough Council

The Committee considered a consultation document from Stafford Borough Council on the proposed sale of land at Tilling Drive.

Councillor Osgathorpe issued a paper* which was read to the Committee, detailing the reasons the Town Council should object to the sale of the land at Tilling Drive.

It was requested that a named vote take place in response to the proposal that this paper should be submitted as Stone Town Council's response to the Consultation.

The results of the vote were as follows:

Councillor:	J. Davies	For
	Mrs J. Farnham	Abstain
	I. Fordham	For
	Mrs M. Goodall	Abstain
	Mrs K. Green	For
	M. Green	For

* Items marked with an asterisk refer to reports or papers circulated with the agenda or distributed at the meeting. They are attached as an appendix to the signed copy of the Council minutes.

Mrs J. Hood	For
R. Kenney	For
P. Leason	For
Mrs E. Mowatt	For
A. Osgathorpe	For
Mrs J. Piggott	For
M. Shaw	Abstain
M. Williamson	For

RESOLVED: That the circulated paper is submitted as Stone Town Council's response to the consultation on the sale of land in Tilling Drive.

GP19/046 **Stafford Borough Council New Local Plan**

The Committee considered the following Stafford Borough Council consultations:

1. Draft Statement of Community Involvement
2. Strategic Housing and Economic Land Availability assessment – Draft Methodology

A copy of a letter from Stafford Borough Council had been circulated and copies of the 'Statement of Community Involvement 2018 Update' and 'Strategic Housing & Employment Land Availability Assessment 2018 Draft Methodology' included in the electronic version of this agenda.

RESOLVED: To consider the item at the next meeting of the General Purposes Committee.

GP19/047 **Street Food Events**

The Committee considered a proposal from the Stone Food and Drink Festival Committee who wish to hold Street Food events in the High Street on 8th August 2018 and 3rd October 2018.

RESOLVED: That a working group consisting of the: Chair of Estates Sub-Committee, and the Chair of Tourism & Town Promotion Sub Committee and the Town Clerk is established to consider this matter.

In view of the timescales, the Town Clerk is authorised to make a final decision on this issue, in consultation with the other Working Group Members, and report back to a future meeting.

GP19/048 **Non-Cheque Payments**

RESOLVED: To note the list* of non-cheque payments made by the Council during the period 1 April to 30 April 2018.

GP19/049 **To consider the following request for a grant:**

Royal Air Forces Association - £500

The Committee considered the grant application received from the Stone & District Branch of the Royal Air Forces Association, which has requested £500 to assist in the commemoration and celebration of the centenary year of the foundation of the Royal Air Force.

RESOLVED: To award £500 to the Royal Air Forces Association.

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GP19/050 Members Motion under Standing Order 4

Councillor Mrs Hood

'The D&G bus service to Walton, Cherryfields, Stonefield and Aston Lodge is to be withdrawn from 22nd July. I have been contacted by a large number of residents who are worried about being stranded in their homes. Those who rely on the bus service tell me they go in to Stone on the bus to shop, get their hair done and for health care visits etc, but most importantly of all to meet up with friends and enjoy a social occasion. A lack of a bus service taking people to and from the town can cause social isolation; loneliness can have a massive impact on mental and physical well-being which in turn will add to the heavy economic burden on an already struggling NHS. It's not just the elderly who will be affected by bus service cuts, but also those with physical and learning disabilities and those on benefits.

We have been working in conjunction with some of the traders in the High Street with a view to supporting finding ways to boost the economy of the High Street. No bus to the surrounding estates means less people coming into the town. I urge Stone Town Council to try to find a solution to the planned cuts; we have a duty of care to our residents. I therefore propose that:

- 1. The Council appoints representatives to meet with D&G Bus Company as soon as possible, and,*
- 2. Potential solutions to the planned cuts are explored'.*

RESOLVED: That a working group be formed to consider this issue, and other approaches such as 'Arriva Click' and report back to this Committee. The working group members were confirmed as Councillors: R. Kenney, Mrs J. Farnham, Mrs J. Hood, J. Davies and Mrs K. Green.

GP19/051 Members Motion under Standing Order 4

Councillor I. Fordham

'An increasing number of residents are concerned at the way in which vehicles are being parked on Oulton Road in the vicinity of Alleyne's Academy both during the school day and at school drop off times.

The situation is causing danger for vehicles negotiating the road, schoolchildren crossing the road to reach or leave the school - and for residents entering and leaving their driveways. I propose that the Council approaches SCC, SBC and the Police and asks them to review the situation and find an acceptable solution."

RESOLVED: To write to Staffordshire County Council asking for parking restrictions during school hours on the residential side of Oulton Road, extending into Elmhurst Way, to allow two-way traffic to flow and to remove line of sight issues for residents when entering and exiting their homes.

GP19/052 Update from Working Groups:

Neighbourhood Plan Steering Group

Councillor Mrs Hood advised that a Regulation 14 consultation was currently in progress.

RESOLVED: To note the update on the work of the neighbourhood Plan Steering Group

Project Headstone (Protocol for Marking the Death of the Sovereign or other members of the Royal Family)

The Chairman of the working group, Councillor J. Davies confirmed that the plan has been approved by the Town Council and is now with the Town Clerk.

RESOLVED: This Working Group is now disbanded, and the item no longer needs to be listed on the General Purposes Committee agenda.

Stone Area Parish Liaison Group

Councillor Davies reported that the next meeting of the Group would be taking place in two weeks' time where a number of common issues between parishes would be discussed. The notes of the last meeting on 25 April 2018 were circulated for information.

RESOLVED: To note the update on the work of the Stone Area Parish Liaison Group.

At this point in the meeting it was RESOLVED to suspend Standing Order 4.25 to enable the meeting to continue beyond a 1.5 hour time limit.

GP19/053 To receive reports from Town Councillors on attendance at meetings of local organisations and outside bodies as a representative of the Town Council

Stone ATC

Cllr J. Davies hadn't been able to attend the last meeting.

Age Concern Stone & District

Councillor Mrs Green reported that new volunteers were going through training. One volunteer was taking the lead in assisting people with form filling on line. A new trustee was present at the AGM. Councillor Mrs Hood is Chairman. The lunch club is going from strength to strength. It was reported that Age Concern has been chosen as one of the Mayor's Charities.

Stone Town Band

No meeting had taken place.

Walton Community Centre

No report. The item will be removed from future agendas as the Community Centre no longer require a Town Council member.

Stafford & Stone Access Group

No report was available on this occasion.

Stone Common Plot Trustees

Cllr Mrs Hood informed the Committee that there had been no meeting.

Stone Community Hub Liaison Group

Cllr Mrs Farnham reported that there had been no meeting.

SPCA Executive Committee

Councillor Williamson reported that he had attended a meeting of the Policy & Resources Committee last night (2 July 2018).

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The main topics were:

- Annual Liaison Meeting with Staffordshire County Council – It was a cordial meeting where Staffordshire County Council explained their medium term financial strategy. They explained that they have a funding deficit of £30 million for the next 2 years. They advised that 70% of their budget is spent on just 2% of the population. They made a commitment to help parish councils to pay for insurance for volunteers working on local highways. An update was given on the Dementia outreach programme. They also advised that no planning applications have been submitted for fracking in Staffordshire.
- NALC has produced a national strategy document which Councillor Williamson suggested is issued to all town and parish councils for their comments.
- The Chief Executive asked whether the Data Protection Officer service had been taken up and advised that NALC will be bringing forward a Guide to Information Governance by the end of the year. He also spoke about the implications of the Ledbury Judicial Review.

Town Mayor

Stone Town Council – Planning Committee

Minutes of the meeting held in the St Michael's Suite, Frank Jordan Centre, Lichfield Street, Stone, on Tuesday 17 July 2018

PRESENT: Councillor A. Osgathorpe in the Chair, and
Councillors: R. Kenney, M. Green, Mrs J. Hood, J. Davies, M. Shaw,
Mrs E. Mowatt, Mrs K. Green, M. Williamson, Mrs M. Goodall,
P. Leason, I. Fordham, Mrs J. Piggott, T. Jackson, Mrs C. Collier, G. Collier and
G. Neagus

ABSENT: Councillor: Mrs J. Farnham

P19/021 **Apologies**

Apologies were received from Councillor: Mrs J. Farnham

P19/022 **Declarations of Interest and Requests for Dispensations**

None

P19/023 **Representations from Members of the Public**

None received

P19/024 **Planning Applications**

Application Number – 18/28730/COU

Applicant – Dr S. Lawrence

Location – 22 High Street, Stone

Development – Change the use of the property from A1 retail to D1 for use as a chiropractic clinic

Observations: No objections

Application Number – 18/28771/HOU

Applicant – Mr & Mrs Halford

Location – 1 Saddler Avenue, Stone

Development – Garage conversion with front bay extension

Observations: No objections

Application Number – 18/28809/LBC

Applicant – Ms L. Osborne (Kid Kreations Ltd)

Location – St Dominics Priory Boarding School, Hallahan House, Mount Road,
Stone

Development – Conversion of St Dominics Priory Boarding School into ground floor offices and four self-contained apartments for rental on first and second floor

Observations: No objections subject to Conservation Officer's approval

Application Number – 18/28808/FUL

Applicant – Ms L. Osborne (Kid Kreations Ltd)

Location – St Dominics Priory Boarding School

Development – Conversion of St Dominics Priory Boarding School into ground floor offices and four self-contained apartments for rental on first and second floor

Observations: No objections subject to Conservation Officer's approval

Application Number – 18/28842/HOU (amended plans)

Applicant – Mr C. Grayer

Location – 12 Telford Close, Stone

Development – Proposed first floor side extension to bedrooms forming covered area to existing patio deck

Observations: No objections

P19/025

To note the following items considered under delegated powers where no objections were forwarded to Stafford Borough Council due to no Member asking for the item to be considered by a special meeting of the Committee.

None

Town Mayor

Stone Town Council – General Purposes Committee

Minutes of the meeting held in St Michael's Suite, Frank Jordan Centre,
Lichfield Street, Stone
on Tuesday 17 July 2018

PRESENT: Councillor R. Kenney in the Chair and
Councillors: M. Green, Mrs J. Hood, J. Davies, M. Shaw, P. Leason, Mrs M. Goodall,
Mrs E. Mowatt, A. Osgathorpe, M. Williamson, I. Fordham, Mrs J. Piggott,
Mrs K. Green, T. Jackson, Mrs C. Collier, G. Collier and G. Neagus

ABSENT: Councillor: Mrs J. Farnham

GP19/054 Apologies

Apologies were received from Councillor: Mrs J. Farnham

GP19/055 Declarations of Interests

None

GP19/056 Requests for Dispensations

None

GP19/057 Representations from Members of the Public

None

GP19/058 Stafford Borough Council New Local Plan

The Committee considered the following Stafford Borough Council consultations:

1. Draft Statement of Community Involvement 2018 Update
2. Strategic Housing and Economic Land Availability Assessment 2018 – Draft Methodology

A copy of a letter from Stafford Borough Council had been circulated with the agenda and copies of the 'Statement of Community Involvement 2018 Update' and 'Strategic Housing & Employment Land Availability Assessment 2018 Draft Methodology' included in the electronic version of the agenda.

RESOLVED: That the following comments be submitted to Stafford Borough Council as the Town Councils representations on the Draft Statement of Community Involvement 2018 Update:

- As a statutory consultee there is often a delay with the receipt of plans from the Borough Council making representations difficult to compile in the timeframe available.
- There should be an opportunity for parish and town councils to address the District Council's Planning Committee for the purpose of voicing concerns

* Items marked with an asterisk refer to reports or papers circulated with the agenda or distributed at the meeting. They are attached as an appendix to the signed copy of the Council minutes.

- Consideration should be given to inviting a parish/town council representative to attend Borough Planning Committee meetings.
- It appears that little notice is taken of the Town Council's planning representations by the Borough Council.
- The Town Council would like to see evidence/feedback that consultations are taken seriously, and are not dismissed. Information should be provided to monitor the decisions in accordance with or against the wishes of the parish/town council
- Reference is made to Community Infrastructure Levy (CIL) in the Statement. Town and parish councils should receive 15% of CIL from development in their areas and when a Neighbourhood Plan is in place the proportion is 25%. When is the Borough Council going to implement CIL as the Town Council is aware that it is missing out on payments?

RESOLVED: That the following comments be submitted to Stafford Borough Council as the Town Council's representation to the Strategic Housing and Economic Land Availability assessment 2018 – Draft Methodology:

'We have concerns regarding the statements:

"3.7 Through the New Local Plan process the development strategy set out in the adopted Plan for Stafford Borough 2011-2031 will be replaced with a new approach in order to accommodate the Council's future objectively assessed needs for housing and employment. New criteria for judging suitability for housing site suggestions are set out in further detail later in this paper. "

At the moment settlement boundaries clarify where development would be acceptable and provide protection for those areas outside of the boundary. If this is replaced by a character based approach, the threat to our existing green spaces will be increased; this is in a town which there is an acknowledged shortage in this respect.

We believe this is major change in approach and request the further clarification and investigations into possible options are considered. We request further information in the form of papers/meetings/forums be produced/setup on alternatives approaches and the matter be consulted upon again.

7.9 Density: Is this not a rather an academic exercise, due to the very limitation discussed. A much better approach might be to adopt the various open door space principles associated with a new development and in the context of the community at large. e.g. Fields in Trust, 6 Acre Standard.

7.10 Table 2 There appears to be no housing density for Urban Stone?'

GP19/059 Purchase of a Bench

The Committee considered a proposal of the Richard Vernon Trust to make easier the administrative process for the purchase of a bench.

The Trust at its meeting on 3 July 2018 asked the Council if it would purchase a bench on behalf of the Trust, with the Trust awarding a grant to the Town Council that is equivalent in value to the cost of the bench.

* Items marked with an asterisk refer to reports or papers circulated with the agenda or distributed at the meeting. They are attached as an appendix to the signed copy of the Council minutes.

RESOLVED: That the Town Council purchases a bench on behalf of the Richard Vernon Trust on the basis that a grant equivalent to its full cost, will be made to the Council.

Town Mayor

Stone Town Council

31st July 2018

Council Investment Strategy

Report of Town Clerk

Introduction

1. This report considers the statutory guidance on local government investments, to which this Council must have regard.

Background

2. On 11 March 2010, the Department for Communities and Local Government published the statutory “Guidance on Local Government Investments”. It came into effect on 1 April 2010, and has been considered at full Council meetings on 13th February 2014 and 1st March 2016.
3. With effect from 1st April 2018, the statutory guidance on local authority investments was revised, with a significant change in relation to parish councils. A full copy of the updated guidance is attached at Appendix 1¹ for Members’ information.
4. The applicability of the guidance to parish councils was previously:
 - a. The guidance does not apply to parishes with investments less than £10,000.
 - b. Where parish investments are between £10,000 and £500,000, the Council itself is free to decide whether it wishes to adopt the guidance in full, in part, or not at all.
 - c. If parish investments are expected to exceed £500,000 at any time during a financial year, the guidance should be applied in full for the whole of the year.
5. In previous years, as the total amount of cash held by the Council has been below £500,000, the authority has been free to make its own decisions regarding the adoption of the guidance. In particular, it has not been necessary to consider specifically the definition of an investment, or the proportion of the Council’s cash holdings could be considered to be “invested” under the terms of the guidance.
6. The £500,000 limit has, however, been reduced to £100,000 in the revised version of the guidance.
7. Figure 1 at the top of the next page sets out the Council’s actual cash flows for 2012-13 to date, together with a forecast for the rest of 2017-18 and 2018-19. It can be seen from the table that cash balances are expected to be well above the new £100,000 threshold, so it has now become important to determine what constitutes an investment, to determine if the Council is required to follow the new guidance.

¹ Included in electronic and website versions of report only due to size.

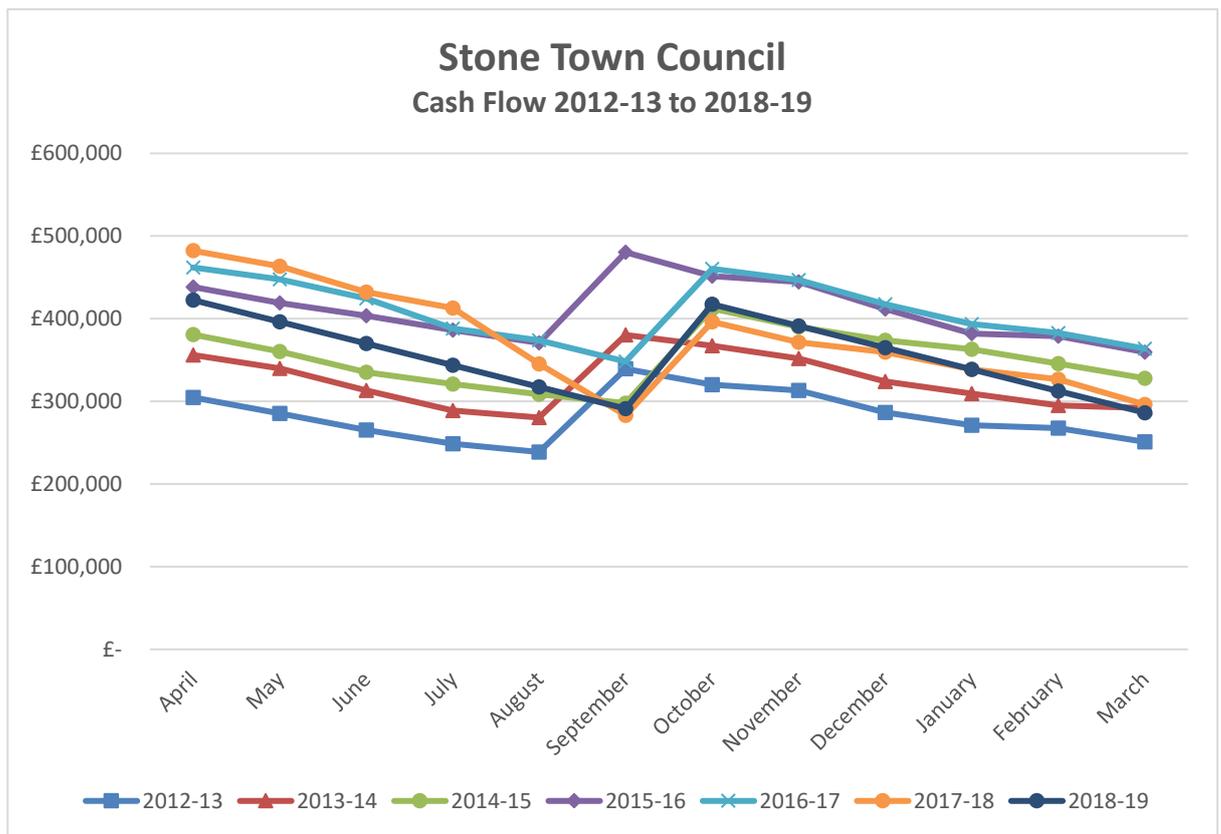


Figure 1: Actual and Forecast Cash Flow 2012-13 to 2018-19

Investments

8. Currently, the Council has no borrowings and no long term capital programme which it is specifically investing to fund. Its “investments” are actually sums on deposit representing reserves and balances, together with the sums which arise on a day to day basis due to the irregularity of the Council’s cash income, compared with its expenditure.
9. Within the guidance, this type of investing is referred to as “treasury management investment”. Paragraph 21 of the guidance states:

“Where local authorities hold treasury management investments, they should apply the principles set out in the Treasury Management Code. They should disclose that the contribution that these investments make to the objectives of the local authority is to support effective treasury management activities. The only other element of this Guidance that applies to treasury management investments is the requirement to prioritise Security, Liquidity and Yield in that order of importance.”

10. The Council is therefore required to follow the Treasury Management Code, where applicable, rather than the investment guidance. The Treasury Management Code is, however, published by CIPFA at a cost of £470, which I do not think is good value for money for purchase by the Council. I have therefore sought advice from NALC, who have stated that:

“For councils whose surplus funds are only held in bank accounts or deposit accounts, all that is necessary to comply with the regulations is a simple Treasury Management Strategy indicating how such deposits are to be made and managed.”

11. The proposed policy below is based on NALC’s advice, a copy of which is attached at Appendix 2.

Basis of Treasury Policy

12. The first and overriding principle of investment of public money is security. There have been a number of well documented instances where Councils have lost funds due to investing with banks that have subsequently failed. The the Financial Services Compensation Scheme (FSCS) protects both individuals and some incorporated bodies from losses up to £75,000 in such cases. Previously this scheme did not apply to parish councils, but since July 2015 it has applied to all parishes with a budget up to €500,000, based on the exchange rate as at 3rd July each year. This means that Stone Town Council is now eligible. Regard has been taken of this change within the proposed revised policy.
13. There are two key elements to a secure investment policy:
 - a. Investing only with secure institutions, and,
 - b. Limiting investment with any one institution such that a single banking failure does not jeopardise the whole of the Council’s funds.
14. These issues have been taken into account in the proposals below.
15. The second principle, once a sufficient level of security has been attained, is liquidity. It is important to ensure that the Council has funds readily available to meet its spending needs.
16. The table at figure 1 above shows that the Council typically has net cash outflows of around £20,000 per month, peaking at around £30,000 per month. This level of cash flow has been taken into account in the proposals below.
17. The third and final investment principle is to consider yield. This is usually the level of interest that can be earned from an investment. The Council should clearly seek to maximise the yield from its investments, but only once considerations of security and liquidity have been fully satisfied. This has also been taken into account in the proposals below.

Proposed Policy

18. Taking into account the three principles above, the following updated investment policy is proposed:
 - a. That all of the Council treasury investments shall be specified investments. This means that all of the following must apply:
 - The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.

- The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a nonconditional option.
 - The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended].
 - The investment is made with a body or in an investment scheme described as high quality or with one of the following bodies:
 - i. The United Kingdom Government;
 - ii. A local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland; or
 - iii. A parish council or community council.
- b. Taking into account the requirements above for investment with high quality, government or local government bodies only, the Council's funds on deposit should only be invested with the following institutions:
- i. Barclays Bank
 - ii. HBOS
 - iii. HSBC
 - iv. Lloyds Bank
 - v. National Westminster Bank
 - vi. Santander
 - vii. Government Related Institutions (eg. National Savings)
 - viii. Principal Councils
- c. The Council should have a single principal bank selected from the banks in the list above, and operate with that bank:
- i. One or more current accounts, as required to meet the needs of the Council, with arrangements to minimise daily credit balances.
 - ii. One or more deposit, or similar, accounts with funds available to the Council without notice.
 - iii. An arrangement whereby funds are automatically transferred to and from a deposit account to the main current account on a daily basis to ensure that a specified balance is achieved at the close of each banking day (a "sweeping arrangement")
- d. Total funds held with the Council's principal bank should broadly average £75,000, in line with the FCFS compensation limit, or the total amount that the Council has available to invest if lower than this figure.

- e. Funds available for investment above the sum held by the Council's principal bank should be deposited with one or more of the other institutions on the above list such that no one institution holds more than (approximately) £75,000 of the Council's funds, other than principal councils, where the limit should be £1 million.
- f. The Council's principal bank account shall be approved by the Council. The Town Clerk is authorised, as the Council's Responsible Financial Officer, to make all other banking and related arrangements on behalf of the Council required to implement this policy and to transfer money between the Council's accounts in accordance with this policy and the principles of "Security, liquidity, then yield" on which it is based.
- g. The Town Clerk will be responsible for seeking Council approval for any variances from this policy, unless they are both temporary and unavoidable. In any event, the Town Clerk will report to the Council annually on the operation of this policy and the Council's future investment needs.
- h. Any charity funds held by the Council will not be governed by this policy, and should be invested in accordance with the requirements of the charity.

Conclusion

19. This report has set out an updated policy for investment of the Council's funds for consideration.

Recommendation

20. The Council is recommended to adopt the Investment Policy set out at paragraph 18 above.

STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS

(3rd Edition)

Issued under section 15(1)(a) of the *Local Government Act 2003* and effective for financial years commencing on or after 1 April 2018

POWER UNDER WHICH THE GUIDANCE IS ISSUED

1. The following Guidance is issued by the Secretary of State under section 15(1)(a) of the *Local Government Act 2003*. Under that section local authorities are required to “have regard” to “such guidance as the Secretary of State may issue”.

DEFINITION OF TERMS

2. In this guidance the **2003 Act** means the *Local Government Act 2003*.
3. **Local authority** has the meaning given in section 23 of the *2003 Act*. To the extent that this guidance applies to parish councils and charter trustees (see paragraph 11) a reference to a local authority includes those councils and trustees.
4. The definition of an **investment** covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.
5. For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party. The term does not include *pension funds* or *trust fund investments*, which are subject to separate regulatory regimes and therefore are not covered by this guidance.
6. A **credit rating agency** is one of the following three companies:
 - Standard and Poor’s;
 - Moody’s Investors Service Ltd; and
 - Fitch Ratings Ltd.
7. For the purposes of this guidance a **loan** is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

8. The **Treasury Management Code** means the statutory code of practice issued by CIPFA: *“Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, 2017 Edition”*.
9. The **Prudential Code** means the statutory code of practice, issued by CIPFA: *“The Prudential Code for Capital Finance in Local Authorities, 2017 Edition”*.
10. The **Capital Strategy** is the strategy required by the updates to the Prudential Code and Treasury Management Code.

APPLICATION

Effective date

11. This guidance applies for financial years commencing on or after 1 April 2018. It supersedes all previous editions of the Statutory Guidance on Local Authority Investments.
12. Strategies presented to Council or equivalent before 1 April 2018 but relating to 2018-19 and future financial years do not need to include all of the additional disclosures required by this edition of the guidance should it not prove practical or cost effective to do so. If a local authority chooses not to include the new disclosures in its 2018-19 Strategy, it must include the disclosures in full in the first Strategy presented to full Council or equivalent after 1 April 2018.

Local authorities

13. This guidance applies to all local authorities in England.
14. This guidance applies to parish councils and charter trustees, providing their total investments exceed or are expected to exceed £100,000 at any time during the financial year. Where a parish council or charter trustee expects its total investments to be between £10,000 and £100,000, it is encouraged to adopt the principles in this guidance.

KEY PRINCIPLES

Transparency and democratic accountability

15. For each financial year, a local authority should prepare at least one Investment Strategy (“the Strategy”). The Strategy should contain the disclosures and reporting requirements specified in this guidance.
16. The Strategy should be approved by the full council. For authorities without a full Council, the Strategy should be approved at the closest equivalent level. The

Secretary of State recommends that the Strategy should be presented for approval prior to the start of the financial year.

17. Where a local authority proposes to make a material change to its Strategy during the year a revised Strategy should be presented to full council or equivalent for approval before the change is implemented.
18. The Strategy should be publicly available on a local authority's website. Where a parish council or charter trustee does not maintain its own website, they should post a public notice detailing how local residents can obtain a copy of the Strategy, free of charge.
19. Where a local authority prepares a Capital Strategy in line with the requirements of the Prudential Code, a Treasury Management Strategy in line with the requirements of the Treasury Management Code, or any other publicly available document, the disclosures required to be included in the Strategy can be published in those documents instead of in the Strategy.

Contribution

20. Investments made by local authorities can be classified into one of two main categories:
 - Investments held for treasury management purposes; and
 - Other investments.
21. Where local authorities hold treasury management investments, they should apply the principles set out in the Treasury Management Code. They should disclose that the contribution that these investments make to the objectives of the local authority is to support effective treasury management activities. The only other element of this Guidance that applies to treasury management investments is the requirement to prioritise Security, Liquidity and Yield in that order of importance.
22. Local authorities should disclose the contribution that all other investments make towards the service delivery objectives and/or place making role of that local authority. It is for each local authority to define the types of contribution that investments can make and a single investment can make more than one type of contribution.

Use of indicators

23. The Strategy should include quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. This should include how investments are funded and the rate of return

received. Where investment decisions are funded by borrowing the indicators used should reflect the additional debt servicing costs taken on.

24. Local authorities should consider the most appropriate indicators to use, given their risk appetite and capital and investment strategies. Whilst this guidance does not prescribe specific indicators or thresholds, the indicators used should be consistent from year to year and should be presented in a way that allows elected members and the general public to understand a local authorities' total risk exposure from treasury management and other types of investment.

25. Where a local authority has entered into a long term investment or has taken out long term debt to finance an investment the indicators used should allow Councillors and the general public to assess the risks and opportunities of the investment over both its payback period and over the repayment period of any debt taken out.

Security, Liquidity and Yield

26. A prudent investment policy will have two underlying objectives:

- **Security** – protecting the capital sum invested from loss; and
- **Liquidity** – ensuring the funds invested are available for expenditure when needed.

27. The generation of **yield** is distinct from these prudential objectives. However, this does not mean that local authorities are recommended to ignore potential revenues. Once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with these priorities.

28. When entering into treasury management investments, local authorities should consider security, liquidity and yield in that order of importance.

29. When entering into other types of investments local authorities should consider the balance between security, liquidity and yield based on their risk appetite and the contribution(s) of that investment activity.

Security

Financial Investments

30. Financial investments can fall into one of three categories:

- **Specified investments;**
- **Loans;** and
- Other **Non-specified investments.**

Specified Investments

31. An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option.
- The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended]*.
- The investment is made with a body or in an investment scheme described as high quality (see paragraph 33 or with one of the following bodies:
 - i. The United Kingdom Government;
 - ii. A local authority in England or Wales (as defined in section 23 of *the 2003 Act*) or a similar body in Scotland or Northern Ireland; or
 - iii. A parish council or community council.

32. For the purposes of paragraph 32 the Strategy should define high credit quality. Where this definition incorporates ratings provided by credit rating agencies paragraph 42 is relevant.

Loans

33. A local authority may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth even though those loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.

34. Local authorities can make such loans whilst continuing to have regard to this guidance if they can demonstrate in their Strategy that:

- Total financial exposure to these type of loans is proportionate;
- They have used an allowed “expected credit loss” model for loans and receivables as set out in International Financial Reporting Standard (IFRS) 9 *Financial Instruments* as adopted by proper practices to measure the credit risk of their loan portfolio;
- They have appropriate credit control arrangements to recover overdue repayments in place; and
- The local authority has formally agreed the total level of loans by type that it is willing to make and their total loan book is within their self-assessed limit.

Non-specified investments

35. A non-specified investment is any financial investment that is not a loan and does not meet the criteria to be treated as a specified investment.
36. For non-specified investments (i.e. those not meeting the criteria in paragraph 31), the Strategy should:
- Set out procedures for determining which categories of investments may be prudently used (and where these procedures involve the use of credit ratings, paragraph 32 is relevant).
 - Identify which categories of investments have been defined as suitable for use.
 - State the upper limits for the maximum amounts both individually and cumulatively that may be held in each identified category and for the overall amount held in non-specified investments and confirm that investments made have remained within those limits.

Non-financial investments

37. As defined in paragraph 4 of this guidance non-financial investments are non-financial assets that the organisation holds primarily or partially to generate a profit. Where a local authority holds a non-financial investment, it will normally have a physical asset that can be realised to recoup the capital invested. Local authorities should consider whether the asset retains sufficient value to provide security of investment using the fair value model in *International Accounting Standard 40: Investment Property* as adapted by proper practices.
38. Where the fair value of non-financial investments is sufficient to provide security against loss, the Strategy should include a statement that a fair value assessment has been made within the past twelve months, and that the underlying assets provide security for capital investment.
39. Where the fair value of non-financial investments is no longer sufficient to provide security against loss, the Strategy should provide detail of the mitigating actions that the local authority is taking or proposes to take to protect the capital invested.
40. Where a local authority recognises a loss in the fair value of a non-financial investment as part of the year end accounts preparation and audit process, an updated Strategy should be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

Risk Assessment

41. The Strategy should state the local authority's approach to assessing risk of loss before entering into and whilst holding an investment, making clear in particular:

- How it has assessed the market that it is/will be competing in, the nature and level of competition, how it thinks that the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements.
- Whether and, if so how, a local authority uses external advisors be they treasury management advisors, property investment advisors or any other relevant persons.
- How the local authority monitors and maintains the quality of advice provided by external advisors.
- To what extent, if at all, any risk assessment is based on credit ratings issued by credit ratings agencies.
- Where credit ratings are used, how frequently they are monitored and the procedures for taking action if credit ratings change.
- What other sources of information are used to assess and monitor risk.

Liquidity

42. For financial investments that are not treasury management investments or loans the Strategy should set out the procedures for determining the maximum periods for which funds may prudently be committed and state what those maximum periods are and how the local authority will stay within its stated investment limits.
43. For non-financial investments the Strategy should set out the procedures for ensuring that the funds can be accessed when they are needed, for example to repay capital borrowed. It should also state the local authority's view of the liquidity of the investments that it holds, recognising that assets can take a considerable period to sell in certain market conditions. Where local authorities hold non-financial investment portfolios they can choose to assess liquidity by class of asset or at a portfolio level if appropriate.

Proportionality

44. Where a local authority is or plans to become dependent on profit generating investment activity to achieve a balanced revenue budget, the Strategy should detail the extent to which funding expenditure to meet the service delivery objectives and/or place making role of that local authority is dependent on achieving the expected net profit. In addition, the Strategy should detail the local authority's contingency plans should it fail to achieve the expected net profit.
45. The assessment of dependence on profit generating investments and borrowing capacity allocated to funding these should be disclosed as a minimum over the life-cycle of the Medium Term Financial Plan. However, an assessment of longer term risks and opportunities is recommended.

Borrowing in advance of need

46. Authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.
47. Where a local authority chooses to disregard the Prudential Code and this Guidance and borrows or has borrowed purely to profit from the investment of the extra sums borrowed the Strategy should explain:
- Why the local authority has decided not to have regard to this Guidance or to the Prudential Code in this instance; and
 - The local authority's policies in investing the money borrowed, including management of the risks, for example, of not achieving the desired profit or borrowing costs increasing.

Capacity, skills and culture

48. The Strategy should disclose the steps taken to ensure that those elected members and statutory officers involved in the investments decision making process have appropriate capacity, skills and information to enable them to take informed decisions as to whether to enter into a specific investment, to assess individual assessments in the context of the strategic objectives and risk profile of the local authority and to enable them to understand how the quantum of these decisions have changed the overall risk exposure of the local authority.
49. The Strategy should disclose the steps taken to ensure that those negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.
50. Where appropriate the Strategy should comment on the corporate governance arrangements that have been put in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the local authority's corporate values.

ANNEX A – INFORMAL COMMENTARY ON THE STATUTORY GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS

Power under which this Guidance is issued [paragraph 1]

1. The **Local Government Act 2003**, section 15(1), requires a local authority "...to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify...".
2. The guidance on investments in the main part of this document is issued under section 15(1) of the 2003 Act and authorities are therefore required to have regard to it. This part (**Annex A**) contains an informal commentary ("the commentary") on the Statutory Guidance.
3. Two codes of practice issued by the *Chartered Institute of Public Finance and Accountancy* (CIPFA) contain investment guidance which complements the MHCLG guidance. These publications are:
 - *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes*
 - *The Prudential Code for Capital Finance in Local Authorities*
4. Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] as amended*.

Objectives in updating the Guidance

5. The 2nd edition of this Guidance, which was issued in 2010, reflected concerns raised by the CLG and Treasury Select committees as part of their enquiries into the financial crash of 2007-8. The key areas of focus were:
 - The practice of investing for yield, especially in Icelandic Banks;
 - The need for transparent investment strategies; and
 - The use of Treasury Management advisors.
6. The changes made to the 3rd edition of this Guidance reflect changes in patterns of local authority behaviour. Some local authorities are investing in non-financial assets, with the primary aim of generating profit. Others are entering into very long term investments or providing loans to local enterprises or third sector entities as part of regeneration or economic growth projects that are in line with their wider role for regeneration and place making.

7. In addition, the National Audit Office and the Public Accounts Committee have raised a number of concerns about local authority behaviour that this guidance aims to address. These are:

- Local authorities are exposing themselves to too much financial risk through borrowing and investment decisions;
- There is not enough transparency to understand the exposure that local authorities have as a result of borrowing and investment decisions; and
- Members do not always have sufficient expertise to understand the complex transactions that they have ultimate responsibility for approving.

Effective Date [paragraphs 11-12]

8. This Guidance applies from 1 April 2018. It supersedes all previous editions of the Guidance.

9. The Guidance requires local authorities to produce a number of additional disclosures. Many local authorities already produce these as part of internal reporting and risk management procedures. However, if these disclosures are not currently produced, then local authorities do not need to prepare them in full for Strategies presented to full Council or equivalent before 1 April 2018. Those local authorities who do not include the required disclosures in their 2018-19 strategies, should present them for approval the first time the relevant Strategy is updated or superseded.

Local Authorities [paragraphs 12-13]

10. This Guidance applies to all local authorities, who hold or during the next financial year intend to hold financial or non-financial investments, solely or in part to generate revenue income.

11. It applies to parish councils whose investments exceed the thresholds set out in paragraph 14. The decision to lower the financial threshold for parish councils has been taken in recognition that some parishes have begun to engage in commercial ventures. As parish councils tend to be fairly small and to obtain a greater percentage of their funding directly from council tax payers than other types of local authority, it is right that they demonstrate that they have carefully considered the expertise that they need to manage the risks arising from their strategy.

Transparency and democratic accountability [paragraphs 15-19]

12. The Government believes that local authorities need to be better at explaining “why” not just “what” they are doing with their investment activity. That means that the sector needs to demonstrate more transparency and openness and to

make it easier for informed observers to understand how good governance and democratic accountability have been exercised.

13. The additional disclosures required by the Guidance should be included in a single document presented to full Council or the equivalent. Although the Guidance refers to an Investment Strategy, providing that all of the disclosures are easy for interested parties to find and are in or linked from a single document, a separate Strategy does not need to be prepared. The Strategy should be updated at least annually.
14. Subject to the provisions in paragraph 35 and 36 of the commentary, local authorities can exclude specific non-financial investments from the required disclosures on grounds of commercial confidentiality. The Government expects that non-disclosure on grounds of commercial confidentiality will be an exceptional circumstance. A local authority should only determine that it would breach commercial confidentiality to include an investment in the disclosures on receipt of appropriate professional advice, using the same criteria as would be used to exclude the public from a Council meeting. Local authorities should reassess whether the commercial confidentiality test is met every time a new Strategy is presented to full Council or the equivalent.
15. Under Regulation 17 of the *The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012* as amended overview and scrutiny committee members have right of access to any confidential information relating to any decision by any committee or any member of the executive of their council. Nothing in this Guidance has the power to override this regulation.
16. Assets that generate revenue income solely through fees and charges for discretionary services levied under Section 93 of the *Local Government Act 2003* should not be classified as non-financial investments for this purpose.
17. If disclosures are already produced in another document that is publicly available then a local authority can provide a link to the disclosures from the Strategy rather than reproducing them. The exception is disclosures contained in the Statutory Accounts, which do not meet the requirements of this Strategy. This is because local authority statutory accounts can be complex and difficult for users who are not familiar with local government accounting to understand and statutory accounts are prepared to a higher level of materiality than local authorities should use for internal risk management.

Contribution [paragraphs 20-22]

18. Local authorities may have several different objectives, when deciding to acquire an asset. If an asset is not solely held for yield, then a local authority may have a different risk appetite or be willing to accept a lower return than it otherwise would.

19. Each local authority should determine how it categorises different types of contribution, and each investment can have more than one type of contribution. A non-exhaustive list of types of contribution include:

- Yield/profit
- Regeneration
- Economic benefit/business rates growth
- Responding to local market failure
- Treasury management

20. Where a local authority classifies an investment as contributing to regeneration or local economic benefit, it should be able to demonstrate that the investment forms part of a project in its Local Plan.

Use of indicators [paragraphs 23-25]

21. Local authorities should present a range of indicators to allow members and other interested parties to understand the total exposure from borrowing and investment decisions. The indicators should cover both the local authority's current position and the expected position assuming all planned investments for the following year are completed. The indicators do not need to take account of Treasury Management investments unless these are expected to be held for more than 12 months.

22. The Guidance requires local authorities to develop quantitative indicators that allow Councillors and the public to assess a local authority's total risk exposure as a result of its investment decisions. We recommend that, the indicators in the table below are used. Where local authorities have a different risk appetite or different expectation of returns depending on the contribution(s) each type of investment makes, they should consider presenting the indicators, classified by type of contribution or risk appetite.

Debt to net service expenditure (NSE) ratio	<i>Gross debt as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>
Commercial income to NSE ratio	<i>Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.</i>
Investment cover ratio	<i>The total net income from property investments, compared to the interest expense.</i>
Loan to value ratio	<i>The amount of debt compared to the total asset value.</i>
Target income returns	<i>Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.</i>
Benchmarking of returns	<i>As a measure against other investments and against other council's property portfolios.</i>
Gross and net income	<i>The income received from the investment portfolio at a gross level and net level (less costs) over time.</i>
Operating costs	<i>The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.</i>
Vacancy levels and Tenant exposures for non-financial investments	<i>Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is productive as possible.</i>

23. Where appropriate, local authorities should consider including targets or limits set by members alongside the outturn. Where there has been a significant change in year on year performance against any of the indicators presented local authorities should include an explanation in the Strategy.

24. Local authorities can choose to present additional indicators in the Strategy should they believe that it would enhance understandability and transparency to do so.

Security, liquidity and yield [paragraphs 26-29]

25. For treasury management and other financial investments local authorities should continue to prioritise **SECURITY, LIQUIDITY** and **YIELD** in that order of importance.

26. Whilst consideration of **security** and **liquidity** is important for loans and non-financial investments, the relative balance between objectives may be different depending on the nature and objectives in making a specific investment.

Security and liquidity

Loans [paragraphs 33 – 34, 40]

27. Loans to joint ventures, local SMEs or third sector bodies, and wholly owned companies fall within the scope of the Guidance. When considering security and liquidity of loans local authorities should set limits for their total exposure and apply the expected loss model in line with the requirements of *IFRS 9 Financial Instruments*.

Non-financial investments [paragraphs 37-40, 43]

28. Where a local authority has a non-financial investment, it will have an asset that can be realised to recoup the sums invested. Therefore, the Guidance requires local authorities to consider security by reference to the value of the asset relative to purchase price and to set out the plans to recoup the investment if realising the asset would not recoup the sums invested. In the period immediately after purchase, it is normal for the directly attributable costs of purchasing a non-financial investment to be greater than the realisable value of the asset. In this scenario, all the Strategy needs to disclose is how long the local authority expects it to take for the increase in asset values to provide security for the sums invested and the assumptions underpinning that expectation.

29. Non-financial investments are by their nature illiquid. However, this does not mean that the local authority does not need to plan for realising a part of its non-financial investment portfolio, for example to repay debt. The liquidity of the non-financial investment portfolio should be considered over the repayment period of any debt taken out to acquire assets, which could be very long term. Given current trends such as the scale and pace of technology driven change, there is no guarantee that non-financial investments will continue to deliver value over their lifetime. To manage this risk, local authorities need to have plans to realise the capital tied up in non-financial investments if required. In addition, the Strategy should consider the trade-offs between accepting capital loss and refinancing debt incurring additional debt servicing costs by doing so, if appropriate.

Proportionality [paragraphs 44-45]

30. Local authorities need to consider the long term sustainability risk implicit in becoming too dependent on commercial income or in taking out too much debt relative to net service expenditure.

31. In addition, whilst under statute, local authority debt is secured on the revenues of that authority, in practice, there is no realistic prospect of the revenues of any local authority being sufficient to pay back debt equating to many multiples of the sum of NNDR and Council Tax Income, without a pervasive and long term impact on service delivery. It is unclear whether local authorities who have adopted a debt financed commercial investment strategy have realistic plans to manage failure. Whilst the Government recognises the importance of local authorities taking on debt to enhance service provision, irrespective of the source of finance, it does not believe that it should do the same for commercial investments.
32. For this reason, the Guidance introduces a new requirement that in every local authority, full council or its nearest equivalent, sets limits that cannot be exceeded for gross debt compared to net service expenditure, and for commercial income as a percentage of net service expenditure.
33. If a local authority has exceeded these limits through investments taken out prior to the introduction of this Guidance, it does not need to dispose of investments currently held. However, authorities who have exceeded their self-assessed limits should not enter into any further investments, irrespective of how these are financed, other than short term investments required for efficient treasury management.

Borrowing in advance of need [paragraphs 46-47]

34. The Prudential Code, issued by CIPFA has always contained a statement that local authorities should not borrow more than, or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The purpose of repeating that statement in this Guidance is to make it clear that it extends to borrowing taken on to finance the acquisition of non-financial as well as financial investments.
35. Local authorities can still finance the acquisition of financial on non financial investments from capital receipts generated from the sale of surplus assets. However, they should not repurpose receipts allocated to the acquisition of assets that contribute to service delivery to fund the purchase of investments, solely to avoid the requirements against borrowing in advance of need.
36. If exceptionally a local authority, chooses not to have regard to the provision on borrowing to fund investment activity the Guidance requires them to explain, in their Strategy, the rationale for this decision.
37. The purpose of this disclosure is to allow external auditors, tax payers and other interested parties to understand why the local authority has chosen to disregard

the Guidance, and to hold the authority to account should they believe there is not sufficient reason for doing so.

Capacity, Skills and Culture [paragraphs 48-50]

38. In the Public Accounts Committee report of 18 November 2016¹, members raised concerns that, locally elected members may not always have the background and expertise to understand the risks associated with the decisions that they are being asked to make. For this reason the Guidance extends the requirements on capacity and skills to members and any statutory officers involved in or responsible for signing off on investment decisions.
39. Members do not necessarily need formal training in understanding investment risks to satisfy the requirements of the Guidance. Depending on their level of expertise a presentation setting out the risks and opportunities of an investment strategy/specific investment in terms a layman would understand, may be sufficient to meet the new requirements.
40. The Government is aware that many local authorities have brought in outside expertise to identify and negotiate investment opportunities. Whilst this can be an effective method of risk management, it is important that those negotiating deals understand that they are not operating in a purely commercial environment and that the prime purpose of a local authority is to deliver statutory services to local residents. Therefore, the Strategy should comment on how they have been made aware of this.

¹ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/inquiries/parliament-2015/financial-sustainability-local-authorities-16-17/>



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London WC1B 3LD

28th March 2018

Andrew McRae
Staffordshire Parish Councils Association

Our ref: F18/419
Your ref:

Client: Stone Town Council

Subject Matter: Investments

Email Address: spca.parish@staffordshire.gov.uk

Dear Andrew

The revised guidance on the requirement for a local council to have an investment strategy is indeed coming into force with effect from 1st April 2018. This change is referred to in the latest edition of the Practitioners' Guide in section 1.11.

For councils whose surplus funds are only held in bank accounts or deposit accounts, all that is necessary to comply with the regulations is a simple Treasury Management Strategy indicating how such deposits are to be made and managed.

Yours sincerely

Derek Kemp
NALC National Accounts and Audit Adviser

Stone Town Council

Local Government Transparency Code 2015

Information for Quarter Ended 30th June 2018

Expenditure Exceeding £250

Date	Reference	Supplier	Description	Amount	Month
03/04/2018	D/Dbt18/001	Stafford Borough Council	Rates Crown Wharf Car Park	£265.90	Apr-18
03/04/2018	D/Dbt18/001	Stafford Borough Council	Rates - FJC	£414.00	Apr-18
04/04/2018	18/001	City B Group Ltd	Setting up marquees - March 18	£550.00	Apr-18
10/04/2018	18/003	NPower Ltd	Electricity - xmas illuminations 2017	£451.47	Apr-18
10/04/2018	18/004	ADT Fire & Security plc	Maint/ mon of system	£833.14	Apr-18
10/04/2018	18/004	M J Plant	Grounds maintenance - March 18	£904.00	Apr-18
10/04/2018	18/004	M J Plant	Tree removal N/C Rd Allots	£375.00	Apr-18
16/04/2018	D/Dbt 18/002	British Gas	Electricity supply - Frank Jordan	£405.78	Apr-18
18/04/2018	18/004	Miscellaneous	Entertainment - St George's Day Event	£600.00	Apr-18
20/04/2018	18/005	Stafford Borough Council	Area office service charge 2017/18	£3,166.83	Apr-18
20/04/2018	D/Dbt 18/002	British Gas	Gas supply - STN	£455.07	Apr-18
25/04/2018	D/Dbt 18/002	Prism Solutions	ICT support	£414.24	Apr-18
30/04/2018	18/006	J G Fenn Ltd	Stationery	£504.05	Apr-18
30/04/2018	18/005	Water Plus	Water charges - N/C Rd allots 23-11-16 to 01-04-18	£285.83	Apr-18
02/05/2018	18/007	Ellis Whittam	Health & Safety support & e learning Yr 2	£2,525.00	May-18
02/05/2018	18/007	City B Group Ltd	Erecting & dismantling of marquees - April 18	£706.00	May-18
03/05/2018	D/Dbt 18/004	Stafford Borough Council	Rates Crown Wharf Car Park	£267.00	May-18
03/05/2018	D/Dbt 18/004	Stafford Borough Council	Rates - FJC	£418.00	May-18
08/05/2018	18/008	M J Plant	Amphitheatre, Crown Meadow & Mt Rd Allots	£1,213.00	May-18
08/05/2018	18/008	M J Plant	2x skips & removal of rubbish - Mt Rd Allot	£480.00	May-18
08/05/2018	18/009	Miscellaneous	Map labelling, artwork etc - noticeboard	£1,519.00	May-18
08/05/2018	18/010	Stone House Hotel	Civic Dinner - food	£857.08	May-18

08/05/2018	18/009	Planned Office Interiors	Retention claim - FJC works	£1,883.55	May-18
08/05/2018	18/009	Griffins of Stone	Pig Race - Food	£385.00	May-18
16/05/2018	D/Dbt 18/004	Sage UK Ltd	SAGE software	£1,012.00	May-18
16/05/2018	18/011	M J Plant	Repair to bus shelter CC Way	£1,079.00	May-18
21/05/2018	18/012	Empire Hire Ltd	Barriers - St Georges Day Event	£426.00	May-18
23/05/2018	18/013	Zurich Municipal	Insurance premium 01 06 18 - 31 05 19	£8,308.71	May-18
25/05/2018	D/Dbt 18/004	Prism Solutions	ICT support	£414.24	May-18
28/05/2018	Elec18/003	Sandra Morris	Internal Audit Fee 17-18	£323.34	May-18
31/05/2018	18/014	City B Group Ltd	Erecting & dismantling of marquees - May 18	£1,053.00	May-18
04/06/2018	D/Dbt 18/006	Stafford Borough Council	Rates - Crown Wharf Car Park	£267.00	Jun-18
04/06/2018	D/Dbt 18/006	Stafford Borough Council	Rates - FJC	£418.00	Jun-18
05/06/2018	18/016	M J Plant	Amphitheatre, Crown Meadow, bridge & Mt Rd allot	£1,213.00	Jun-18
05/06/2018	18/016	M J Plant	Maintenance of bus shelters	£494.00	Jun-18
16/06/2018	18/018	Stone Gazette Ltd	Advertisement - Summer shopping Events	£315.00	Jun-18
16/06/2018	18/018	Lawrence Davis	Annual hosting of Website	£300.00	Jun-18
16/06/2018	18/019	Lawrence Davis	50 x Neighbourhood Plans plus Artwork	£647.50	Jun-18
18/06/2018	Elec 18/004	Panda Press (Stone) Ltd	Posters & consultation forms - NP	£354.00	Jun-18
21/06/2018	D/Dbt 18/007	British Gas	Gas supply - FJC - 1 Mar-31 May 18	£1,196.06	Jun-18
25/06/2018	D/Dbt 18/007	Prism Solutions	ICT support	£414.24	Jun-18
25/06/2018	D/Dbt 18/007	Network Rail	Qtly rent of Station	£1,087.50	Jun-18
27/06/2018	D/Dbt 18/007	British Gas	Electricity supply - STN - 3 Mar-2 June 18	£279.75	Jun-18
29/06/2018	Elec 18/005	Panda Press (Stone) Ltd	Printing of Order of Service - Civ Sun	£265.00	Jun-18

NOTE: The table above excludes salary and related payments, payments from the Mayor's Charity, and transfers between the Council's bank accounts.

Stone Town Council

Local Government Transparency Code 2015

Information for Quarter Ended 30th June 2018

Procurement Information

1. Invitations to Tender for Contracts Exceeding £5,000

None

2. Contracted Agreements Exceeding £5,000

None

Stone Town Council

Openness of Public Bodies Regulations 2014

Information for Quarter Ended 30th June 2018

Decisions that would otherwise have been taken by the Town Council or one of its Committees that have been delegated to an officer:

1. Under a specific express authorisation; or
2. Under a general authorisation to officers to take such decisions and, the effect of the decision is to:
 - a. grant a permission or licence;
 - b. affect the rights of an individual; or
 - c. award a contract or incur expenditure which, in either case, materially affects the Town Council's financial position.

None

STONE TOWN COUNCIL MEETING

31 July 2018

CIVIC ANNOUNCEMENTS

Mayor

- | | |
|--------------------|--|
| Wednesday 1 August | Girlguiding Staffordshire – #Inmyelement Unity 2018 International Camp |
| Sunday 5 August | Cheadle Town Council – Party in the Park |
| Thursday 9 August | Stafford and Rural Homes Garden Awards |
| Sunday 19 August | Burma Star Commemorative Service & Parade |
| Sunday 2 September | Stone & District Branch of the Royal Air Force – Service of Celebration and Commemoration to mark the Centenary of the Royal Air Force |

Deputy Mayor

- | | |
|--------------------|--|
| Sunday 2 September | Stone & District Branch of the Royal Air Force – Service of Celebration and Commemoration to mark the Centenary of the Royal Air Force |
|--------------------|--|

TOWN MAYOR

TOWN MAYOR'S REPORT – to 22 July 2018

Thursday 28th June

This afternoon I attended a talk at Christ Church about their patron Charles Seimon followed by Tea and Cake.

Sunday 1st July

This was the day of the Civic Parade. A number of Mayors from the County attended as well as the Deputy Lord-Lieutenant. A lovely buffet from the Secret Kitchen was served in the Frank Jordan Centre after the service.

Friday 6th July

This morning was the start of the Christ Church Flower Festival. The church was full of flowers, and a job well done by all those who supplied arrangements.

At Christ Church this evening there was a concert given by the Audley Male Voice Choir. Every one seemed to enjoy the evening of music.

Sunday 8th July

This morning I attended the service at Christ Church that ended their weeks of celebrations for their 180 anniversary of their foundation.

The re-naming of the community centre in Station Road was in the afternoon. Loads of people came along to join in with fun and games at their Summer Fest

Monday 9th July

This was the day of the Stone in Bloom judging. I met with the 2 judges at Stonefield Park where they did their inspection and viewed the flower bed which was for the 100 years since women received the vote. They went on to do the rest of the route provided by the Stone in Bloom group. The announcement will be in September.

Saturday 14th July

This was the day of the Music Festival arranged by Stone Town Council with help from Tony Hollinshead and others. Mark and I stayed all day listening to all the acts. I must also thank Cllrs. Jill Hood and Rob Kenney for all their work.

Thursday 19th - 21st July

We went to Farnham for the Annual Ceremonial Divisions at HMS Collingwood and stopped over because of the early start. The Princess Royal received the Royal Salute this year. She went on to meet HMS Collingwood personnel. I can also report that the glass bell presented to HMS Collingwood in 1989, which was made by Bibby's, is still in pride of place in the glass cabinet in the entrance to the Wardroom.

Sunday 22nd July

Today was the Civic Service at Uttoxeter, a really lovely service, and afterwards, we went to their Town Hall for Afternoon Tea.

DEPUTY TOWN MAYOR'S REPORT – 23 Jul 18

Saturday 30 Jun 18

The Deputy Mayor attended a highly successful and extremely enjoyable 50th anniversary concert performed by the Stone Choral Society in Keele University Chapel. The programme included the world premiere of Stuart Johnson's Missa Celebra, composed specially for the occasion and conducted by his daughter, Harriet. Stuart Johnson, a former head of music for Staffordshire, lives in The Avenue and his daughter, a former pupil of Alleyne's, is head of music at Newcastle College.

Sunday 1 Jul 18

For Stone Civic Sunday the Deputy Mayor was delighted to perform his formal role of supporting the current Town Mayor, Councillor Kristan Green.

Sunday 8 Jul 18

The Deputy Mayor joined civic representatives from Staffordshire Moorlands, Alsager, Ashbourne, Cheadle, and Leek at Biddulph Town Council's annual service and reception at St Lawrence's parish church, Biddulph.

.Sunday 15 Jul 18

The Deputy Mayor joined a wide range of civic representatives including Stafford, Tamworth, Lichfield and Brownhills plus the Vice Lord-Lieutenant at the Cannock Chase District Council civic service at St Luke's church and afterwards at a reception in Cannock Civic Centre.

Sunday 22 Jul 18

This year's Staffordshire Moorlands District Town Council Civic Sunday was held in Biddulph, the home town of this year's Chairman. Present was an even wider range of civic heads than at other recent civic events. The Deputy Mayor was afforded a warm welcome by all, indicative of the high regard in which Stone is held by its neighbouring authorities.