

CABINET AGENDA



**TUESDAY 11 DECEMBER 2018 AT 7.30 PM
CONFERENCE ROOM 2 - THE FORUM**

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Williams (Leader)	Councillor Marshall
Councillor Griffiths (Deputy Leader)	Councillor G Sutton
Councillor Elliot	Councillor D Collins
Councillor Harden	

For further information, please contact Corporate and Democratic Support or 01442 228209

AGENDA

1. MINUTES (Pages 3 - 8)

To confirm the minutes of the meeting held on 13 November 2018.

2. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

3. DECLARATIONS OF INTEREST

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

(ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct for Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements and ask questions in accordance with the rules as to Public Participation.

5. REFERRALS TO CABINET

There were no referrals to Cabinet

6. TREASURY MANAGEMENT (Pages 9 - 20)

7. COUNCIL TAX BASE

Report to follow.

Please note; the information for the report is taken as at 30 November and then worked on firstly by Revenues and then Finance. The report will be circulated as a supplement to the agenda prior to the meeting.

8. COMMITTEE TIMETABLE 2019/20 (Pages 21 - 24)

9. CABINET FORWARD PLAN (Pages 25 - 26)

10. EXCLUSION OF THE PUBLIC

To consider passing a resolution in the following terms:

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the items in Part 2 of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that, if members of the public were present during those items, there would be disclosure to them of exempt information relating to the financial and business affairs of the Council and third party companies/organisations.

Local Government Act 1972, Schedule 12A, Part 1, paragraph 3.

MINUTES

CABINET

13 NOVEMBER 2018

Councillors: Andrew Williams	Leader of the Council (Chairman)
Margaret Griffiths	Portfolio Holder for Housing
Graeme Elliot	Portfolio Holder for Finance and Resources
Neil Harden	Portfolio Holder for Community & Regulatory Services
Janice Marshall	Portfolio Holder for Environmental Services
Graham Sutton	Portfolio Holder for Planning and Infrastructure
David Collins	Portfolio Holder for Corporate and Contracted Services

Also attended: Councillors Birnie, Douris and Tindall.

Officers: S Marshall	Chief Executive
M Brookes	Solicitor to the Council and Monitoring Officer
J Deane	Corporate Director (Finance & Operations)
M Gaynor	Corporate Director (Housing & Regeneration)
F Williamson	Assistant Director (Housing)
J Doe	Assistant Director (Planning, Development & Regeneration)
N Bateman	Strategic Planning & Regeneration Team Leader
R Lang	Mechanical and Electrical Team Leader
K Mogan	Corporate and Democratic Services Lead Officer

The meeting began at 7.30 pm.

CA/111/18 MINUTES

The minutes of the meeting held on 16 October 2018 were agreed by Members present and signed by the Chair.

CA/112/18 APOLOGIES FOR ABSENCE

There were no apologies for absence.

CA/113/18 DECLARATIONS OF INTEREST

There were no declarations of interest.

CA/114/18 PUBLIC PARTICIPATION

There was no public participation

CA/115/18 REFERRALS TO CABINET

There were no referrals to Cabinet.

CA/116/18 FORWARD PLAN

Councillor G Sutton asked for item 3 (Authority Monitoring Report) be removed.

The Forward Plan was noted and agreed.

CA/117/18 BUDGET MONITORING QUARTER 2 2018/19

Decision

1. That the budget monitoring position for each of the above accounts be noted.
2. That Cabinet recommends to Council the approval of the revised capital programme to move £2.8m slippage identified at Quarter 2 into financial year 2019/20 as detailed in Appendix C;
3. That Cabinet recommends to Council the approval of the one off supplementary budgets required to deliver several service changes as set out below. These will be funded by use of the Management of change reserve. Details for these supplementary budgets are set out in the body of the report and have a net nil impact on the General Fund Working Balance:
 - A one off increase to the Planning service budget of £90k to support the implementation of new and improved planning software.
 - A one-off increase to the Adventure Playground service employees budget by £80k to support costs incurred of restructuring the service.
 - An increase in the Neighbourhood Delivery employees budget by £80k to meet one off pension strain costs arising from the consolidation of the management team.
4. Approval of the virement detailed in Appendix D to realign New Build capital budgets to support the progress of new housing developments.

Corporate objectives

Delivery an efficient and modern council.

Monitoring Officer/S.151 Officer comments

Deputy Section 151 Officer:

Comments included within the body of this report

Monitoring Officer:

No Comments to add to the report.

Advice

Councillor Elliot introduced the item to members and said the report contains the current budget positions for the General Fund, the HRA and the capital programme. There was £2.8 million of slippage in 2019/20, £1.3 million of this was part of the Berkhamsted Multi-Storey Car Park which is due to begin in January 2019.

Councillor Birnie said if investment properties under paragraph 6.1 included shops.

Councillor Elliot confirmed it did.

Councillor Birnie asked about the management change reserve and asked how much this totalled.

J Deane said at the end of the financial year, it was forecast to be £1.2 million.

Voting

None.

CA/118/18 STRATEGIC RISK REPORT Q1

Decision

Cabinet noted the content of the report

Corporate objectives

Dacorum Delivers – Risk management is an essential part of ensuring that the Council meets all of its objectives

Monitoring Officer/S.151 Officer comments

Monitoring Officer:

No comments to add to the report.

S.151 Officer

S.151 report, comments included in the body of the report.

Advice

Councillor Elliot introduced the report and said the risk scores remain unchanged and reflect the council's current position. There are no material concerns.

J Deane said that a Q1 report would normally be considered earlier in the year but due the timing of meetings, this has not been possible. The Q2 risk report will be coming to Cabinet next month. He said that the council are looking to revise the strategic risk register and this is currently going through the process with the external auditors to approve them.

Councillor Birnie said the right to buy risk was highlighted and he asked if there was any further information about the lifting on the borrowing cap.

M Gaynor said the government had indicated in the Budget and in correspondence to councils that the borrowing cap would be lifted as of April 1st 2019. The council have put in a bid for additional resources.

Councillor Williams said the lifting of the cap would have significant more opportunities than the effect of the right to buy scheme.

Voting

None.

CA/119/18 FIRE SAFETY POLICY

Decision

1. That the Fire Safety Policy, as set out in the Appendix to the report, be approved and implemented.
2. That the growing focus on the fire safety industry following the tragic Grenfell Tower incident and the Hackitt Report be noted and that a further report be made to Cabinet dependent on the legislative and guidance changes that may arise.

Corporate objectives

Clean Safe and enjoyable environment

- Ensure the safety of all people living, working in or visiting properties owned by the housing service;
- Ensure alignment and adherence to current legislation and government policy on fire safety; and
- Provide an overview of our approach to ensuring fire safety within our properties.

Monitoring Officer/S.151 Officer comments

Monitoring Officer:

Continual monitoring and review of the policy will be essential to ensure that the Council meets its statutory requirements and follows best practice.

Deputy S.151 Officer

The implementation of the fire safety policy is budgeted for and can be delivered within existing approved budgets.

Advice

Councillor Griffiths introduced the report and said it was a very important policy. The council have a good relationship with local fire services and do work with them and act on their advice.

F Williamson said this was a key area in the compliance team. There was an opportunity to look at structure within the team and replaced the Programme and Procurement Team Leader with a Compliance Team Leader. The current focus is to look at maintaining and strengthening compliance. There is now a fully staff team to oversee this fire safety policy and other policies.

Councillor Tindall referred to paragraphs 2.7 and 2.8 and asked if hoarding, especially paperwork, had been taken into consideration as this could be a serious fire hazard.

F Williamson said there are a number of methods to identify hoarders. The annual gas safety inspections are one way. A concern card will be submitted and the council then set up a tenancy management visit to work with the tenant to address the issue.

Councillor Marshall asked if the tenants and leaseholders committee had looked at this policy and asked how the new policy would be advertised.

R Lang said he thought it had been to the committee but would double check. There were several methods of engaging with tenants on this new policy – it is in the council's best interests to publicise it widely

Councillor Harden said that the Anti-Social Behaviour Team also pick up on hoarder issues. He understood that nationally, there is work ongoing to look at categorising hoarding as a mental illness.

Voting

None.

CA/120/18 HEMEL GARDEN COMMUNITIES CHARTER

Decision

1. That the Hemel Garden Communities Charter, with the proposed amendments as outlined in this report is endorsed.
2. That progress on submission on the Garden Communities Prospectus bid is noted.

Corporate objectives

The proposals for major development at north and east Hemel Hempstead through the Hemel garden Communities proposals are wide-ranging and relate to all corporate objectives.

Monitoring Officer/S.151 Officer comments

Monitoring Officer:

The report makes it clear that approval by Cabinet does not designate the land for development. Formal designation can only be done through the Local Plan process once all statutory processes have been completed including full consultation on the proposals. Approval of the draft plan will also need to be agreed by full Council at the relevant time.

Deputy S.151 Officer

No further comments to add.

Advice

Councillor G Sutton introduced the item. This report was for Cabinet to approve the Charter which had been submitted to the MHCLG (Ministry of Housing, Communities and Local Government) on 8 November. He thanked James Doe and his team for their hard work and professionalism.

J Doe said the site was split between DBC and St Albans District Council and the St Albans Local Plan is more advanced than Dacorum's at the moment. They are publishing their plan for consultation in September and DBC are yet to decide on the draft plan. The proposal will be thoroughly tested through the rigor of the local plan process and the technical aspects will analyse its suitability. The council submitted their bid for funding last week, asking for £3.5 million over five years.

N Bateman said the bid covers a range of studies set out in the report. The majority of the bid regards staffing over this five year period.

Councillor Birnie asked if this bid was available to see.

J Doe said it wasn't on the website as it is a long technical document but it is in the public domain so can be distributed to councillors.

Councillor Birnie asked about the request from the Crown Estate for the design element – does this cover both sides of the boundary.

J Doe said yes, it will help with the overall masterplan.

Councillor Williams said this was a joint bid with St Albans

Councillor Birnie asked about the CIL figures being used for a primary school in St Albans.

J Doe said there was a report going to SPAE OSC regarding the annual CIL figures. The council have no say on delivering schools through s.106 agreements. It is expected that the developer would provide funds for schools.

Councillor Harden said he welcomed the new country parks. He referred to page 87 and asked if SANGS was the official title or if they were not yet designated.

J Doe said it was to recognise this development will have a significant impact on the public's use of the countryside

Councillor Harden asked to confirm if this area would need to be re-designated under the local plan.

J Doe said yes. The majority of the land is in private ownership. The Crown Estate owns about 70-80% and it will be brought into public ownership for public enjoyment.

Councillor Douris asked if the properties would have suitable sized gardens so this is why there is a prominence of local open spaces.

J Doe said the charter was about creating attractive places to live. The masterplan will decide on the layout of the development. Both councils have to be mindful of what housing is going to look like in the future. The intention is to make it green and enjoyable.

N Bateman said the totality of the space is 873 hectares and 430 of this will be green space.

Voting

None.

The meeting ended at 7.52pm



AGENDA ITEM: x

SUMMARY

Report for:	Cabinet
Date of meeting:	11 December 2018
Part:	I
If Part II, reason:	

Title of report:	Treasury Management 2018/19 Mid-Year Performance Report
Contact:	Cllr Graeme Elliot – Portfolio Holder for Finance & Resources James Deane – Corporate Director (Finance & Operations) Nigel Howcutt, Assistant Director (Finance and Resources)
Purpose of report:	To provide Members with mid-year information on Treasury Management performance for 2018/19.
Recommendations	That Cabinet considers and agrees the half-year report on targets and performance, in Sections 4-7.
Corporate objectives:	Dacorum Delivers – Optimising investment income for General Fund and Housing Revenue budgets whilst managing investment risk is fundamental to achieving the corporate objective of delivering an efficient and modern Council.
Financial Implications:	<u>Financial</u> A summary of performance against the Council's budgeted investment income is included in Section 5 of the report. <u>Value for Money</u> The Council is required to invest surplus funds to ensure that it maximises the benefit of cash flows.
Risk Implications:	Failures in the banking sector have increased the risk of investment being lost. A prudent approach to investment is required to minimise the risk to the Council of investment losses. Currently all DBC investments are in prime UK banks or in UK Government bodies; such as the Debt Management Office (DMO) and other local authorities.

Equalities Implications:	There are no Equality implications arising from this report.
Health And Safety Implications:	There are no Health and Safety implications arising from this report.
Monitoring Officer / S151 Officer Comments:	<p>Monitoring Officer:</p> <p>No comments to add to the report.</p> <p>S.151 Officer</p> <p>This is a Section 151 Officer Report</p>
Consultees:	Link Asset Services
Background papers:	Treasury Management Strategy (Budget Report Appendix K) - Cabinet 13 February 2018
Glossary of acronyms and any other abbreviations used in this report:	<p>Chartered Institute of Public Finance and Accountancy (CIPFA)</p> <p>Capital Financing Requirement (CFR)</p> <p>Gross Domestic Product (GDP)</p> <p>Monetary Policy Committee (MPC)</p> <p>Treasury Management Strategy Statement (TMSS)</p> <p>London Interbank Bid Rate (LIBID)</p> <p>Debt Management Office (DMO)</p> <p>Public Works Loan Board (PWLB)</p> <p>Housing Revenue Account (HRA)</p>

1. Background

1.1 Treasury Management

Treasury management is defined as:

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

1.2 The Treasury Management team manages the Council’s cash-flows in order to strike the optimal balance between the following three elements:

- The liquidity requirements for the Council’s day-to-day business;

- Funding the Council's capital programme;
- Investing surplus monies in line with the Treasury Management Strategy.

1.3 The purpose of this report is to update Cabinet on the economic environment in which the Treasury team is operating, highlighting some of the key challenges, and to provide details of the current investment position for 2018/19 (see Section 5).

2. Governance

2.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

2.2 The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;
- Creation and maintenance of treasury management practices which set out the manner in which the Council will seek to achieve those policies and objectives;
- Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year;
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions;
- This organisation nominates Cabinet to be responsible for ensuring effective scrutiny of the Treasury Management Strategy, policies and monitoring before recommendation to Full Council.

Mid-year Report

2.3 This mid-year report has been prepared in compliance with the Code, and covers the following areas:

- An economic update for the first six months of 2018/19;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure and prudential indicators;
- A review of the Council's investment portfolio for 2018/19;
- A review of the Council's borrowing strategy for 2018/19;
- A review of compliance with Treasury and Prudential Limits for 2018/19.

3. Economic update

- 3.1 The commentary in this section updates Members on the key factors around the economic conditions in which the Council is currently operating. It incorporate analysis provided by the Council's treasury management advisors, Link Asset Services.

Interest Rates

- 3.2 The Bank of England's base rate ('Bank Rate') is the rate of interest set by the Bank of England to influence other interest rates. The Bank of England's Monetary Policy Committee (MPC) voted unanimously to to increase Bank Rate in August from 0.5% to 0.75%. This followed a period of generally positive economic statistics after the end of the quarter to 30 June. The MPC emphasised again, that future Bank Rate increases would be gradual. The view from the Council's treasury management advisors is that the MPC is likely to wait until after Brexit deadline of March 2019 before making any further increases. Their expectation is an increase in August 2019, followed by further increases of 0.25% in May 2020 and November 2020 to reach 1.5%. Their view is that even these limited increases is dependent on a reasonably orderly Brexit.

Economic Growth

- 3.3 Economic Growth generally refers to growth in Gross Domestic Product (GDP). GDP measures the health and size of an economy. UK economic growth performed modestly in the first half of 2018/19. This growth is expected to be around 1.5% in 2018. The Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019. There are several caveats to this – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.

Inflation

- 3.4 Inflation measures how much the prices of goods and services have changed over a time period. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June to 2.7% in August but is expected to fall back to the Government's 2% inflation target over the next two years, given a scenario of minimal increases in the Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.

Unemployment

- 3.5 UK unemployment has continued at a 43-year low of 4%. Wage inflation picked up to 2.9%, (3- month average regular pay, excluding bonuses) and to a one month figure in July of 3.1%. In real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 0.4%. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

Overall

- 3.6 The overall balance of risks to economic growth in the UK is expected to be neutral. The balance of risks to increases in Bank Rate and shorter term Public Works Loan Board (a source of borrowing for local authorities) rates, are expected to be even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.
- 3.7 The Council's treasury manager advisor has provided the following interest rate forecast:

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

4. Treasury Management Strategy Statement and Annual Investment Strategy update

- 4.1 The Treasury Management Strategy Statement (TMSS) for 2018/19 was approved by Council on 13 February 2018.
- 4.2 The Council's Annual Investment Strategy, which is incorporated within the TMSS, outlines the Council's investment priorities as follows:
- Security of capital;
 - Liquidity;
 - Return on investment.
- 4.3 The Council aims to achieve the optimum return on investments within the context of the first two priorities. A breakdown of the Council's investment portfolio, as at 30 September 2018, is shown in Appendix 1 of this report. Link Asset Services' full counterparty credit list as at September 2018, which identifies those organisations with which the Council is able to place funds, is shown in Appendix 2.
- 4.4 All the Council's Investments during the first six months of the year have been placed in accordance with the approved strategy.

5. Investment Portfolio 2018/19

- 5.1 The current investment market is challenging in terms of earning the level of return commonly seen in previous decades. Rates are very low and in line with the current 0.75% Bank Rate.
- 5.2 The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short- term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.
- 5.3 The Council held £100.33m of investments as at 30 September 2018 (£92.75m at 31 March 2018). The average investment return for the first six months of the year was 0.61%.
- 5.4 The Council's investment return for Q1 and Q2 2018/19 displays a £58k favourable variance against half- yearly budgeted figure of £274k. This reflects:
- The recent Bank Rate increase
 - higher than expected balances available for investment

The forecast position for the full year has risen slightly due the forecast slippage of the Council's capital expenditure programme and the higher rate of interest expected on investments placed during the second half of the year.

6. Borrowing

- 6.1 The Council's Capital Financing Requirement (CFR) is the Council's underlying need to borrow for capital purpose. The CFR is currently forecast to be £362.2m as at 31/03/19. This includes the borrowing from the Public Works Loan Board (PWLB) following the introduction of HRA Self Financing, and borrowing taken up for General Fund capital expenditure requirements.
- 6.2 As a Local Authority, the Council is able to borrow funds from PWLB, which operates within the DMO, an Executive Agency of HM Treasury.
- 6.3 The PWLB charges interest rates, which are linked to government gilts and are lower than what the Council would be able to achieve by raising funds through the capital markets.
- Debt rescheduling
- 6.4 Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

7. The Council's Capital Expenditure (Prudential Indicators)

7.1 Prudential indicators are set each year as part of the Council's Treasury Management Strategy. They set the annual limits on borrowing, and provide a basis for assessing the affordability of financing costs, external debt and capital expenditure.

7.2 This part of the report is structured to update:

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

7.3 Prudential Indicators for Capital Expenditure:

The table below shows the revised estimates for capital expenditure with the changes since the capital programme was agreed at the Budget in February 2018, and the expected financing arrangements of this capital expenditure.

Capital Expenditure by Service	2018/19 Original Budget £M	Current Budget £M	2018/19 Revised Forecast £M
General Fund	21.719	18.92	18.83
HRA	36.483	35.249	35.249
Total	58.202	54.169	54.079
Financed by:			
Capital grants & S106	2.648		2.648
Capital receipts & reserves	40.046		32.164
Revenue	9.14		9.301
Borrowing	6.368		9.966
Total financing	58.202		54.079
Borrowing need	-		-

7.4 The table below shows the CFR and the expected debt position over the period; termed the 'Operational Boundary'. The changes to the forecast CFR are due to revision of the Capital Programme, and incorporation of the actual outturn position from 2017/18.

	2018/19 Original Estimate £M	2018/19 Revised Forecast £M
Prudential Indicator – Capital Financing Requirement		
CFR – General Fund	18.281	18.09
CFR – HRA	344.104	344.104
Total CFR	362.385	362.196
Net movement in CFR	3.936	6.814
Prudential Indicator – External Debt / the Operational Boundary		
Borrowing	362.383	362.383
Other long term liabilities	0.188	0.188
Total debt 31 March	362.571	362.571

7.5 Prudential Indicator for Borrowing Activity:

The key control over treasury activity is a prudential indicator to ensure that, over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and the next two financial years.

7.6 The table forecasts that the Council's gross borrowing is forecast to slightly exceed its CFR. This is expected to be the case in the short term only.

	2018/19 Original Estimate £M	2018/19 Revised Estimate £M
Gross borrowing	362.383	362.383
Plus other long term liabilities	0.188	0.188
Less investments	(69.515)	(78.449)
Net borrowing	293.056	289.954
CFR (year-end position)	362.385	362.196

7.7 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by 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.

Authorised limit for external debt	2018/19 Original Indicator	Current Position	2018/19 Revised Indicator
Borrowing	378.000	378.000	378.000
Other long term liabilities*	1.00	1.00	1.000
Total	379.000	379.000	379.000

8. Other

Money Market Fund Regulatory Change

- 8.1 The Money Market Fund sector is now in the last stages of introducing new regulations in preparation for the European Money Market Fund Reform, expected to be finalised in early 2019.
- 8.2 The new regulations will see existing non-government Constant Net Asset Value (CNAV) funds convert to Low Volatility Net Asset Value (LVNAV) pricing. Government-type funds will remain as “CNAV” funds under the new regulations.
- 8.3 LVNAV MMFs are a new type of Money Market Fund. They are seen as the successor to existing CNAV funds, they are permitted to maintain a constant dealing Net Asset Value (NAV) provided that certain criteria are met, including that the market NAV of the Fund does not deviate from the dealing NAV by more than 20 basis points (bps). This is a more stringent approach than seen previously.
- 8.4 The European Money Market Fund Reform will see the Council’s existing Money Market Funds convert from non-government CNAV (Constant Net Asset Value) to LVNAV (Low Volatility Net Asset Value). This change is not expected to impact on the existing treasury management strategy.

UK banks – ring fencing

- 8.5 The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.
- 8.6 Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.
- 8.7 While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings (and any other metrics considered) will be considered for investment purposes.

IFRS9 accounting standard

- 8.8 This accounting standard came into effect from 1st April 2018. It means that the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact on the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments but more specialist types of investments, (e.g. pooled funds, third party loans, commercial investments), are likely to be impacted. The impact on this authority is low due to the nature of our investments.
- 8.9 The Ministry of Housing, Communities and Local Government (MHCLG), are currently conducting a consultation for a temporary override to allow English local authorities time to adjust their portfolio of investments. Members will be updated when the result of this consultation is known.

Changes in risk appetite

- 8.10 The 2018 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g. for moving surplus cash into or out of certain types of investment funds or other types of investment instruments, this change in risk appetite and policy should be brought to members' attention in treasury management update reports.

Capital Strategy 2019/20

- 8.11 In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities will be required to prepare a Capital Strategy which is intended to provide the following: -
- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability
- 8.12 A report setting out our Capital Strategy will be taken before Members before 31st March 2019.

Appendix 1 - Investment Portfolio as at 30 September 2018

Borrower	Deposit Type	Principal	Date Lent	Date Repayable	Interest Rate	Duration (Days)	Approved Duration	DBC Limit(M)
National Westminster Bank PLC (RFB)	Call Account	78,524	30/09/2018	01/10/2018	0.01%	1	12 months	12.5
Goldman Sachs	MMF	1,250,000	30/09/2018	01/10/2018	0.64%	1	100 days	7
Insight	MMF	7,000,000	30/09/2018	01/10/2018	0.67%	1	100 days	7
Lloyds Bank Plc (RFB)	Investment	1,000,000	29/11/2017	29/11/2018	0.90%	365	12 months	10
Lloyds Bank Plc (RFB)	Investment	4,000,000	26/01/2018	25/01/2019	0.85%	364	12 months	10
Coventry Building Society	Investment	1,500,000	23/04/2018	22/10/2018	0.71%	182	6 months	9
Barclays Bank Plc (NRFB)	Investment	1,000,000	01/05/2018	22/10/2018	0.68%	174	6 months	9
Coventry Building Society	Investment	1,500,000	01/05/2018	26/10/2018	0.70%	178	6 months	9
Barclays Bank Plc (NRFB)	Investment	3,500,000	08/05/2018	17/10/2018	0.67%	162	6 months	9
National Westminster Bank PLC (RFB)	Investment	5,000,000	15/05/2018	15/05/2019	0.74%	365	12 months	12.5
Coventry Building Society	Investment	2,000,000	21/05/2018	19/11/2018	0.67%	182	6 months	9
Coventry Building Society	Investment	1,500,000	19/06/2018	14/12/2018	0.67%	178	6 months	9
Nationwide Building Society	Investment	1,000,000	21/06/2018	19/12/2018	0.60%	181	6 months	9
Nationwide Building Society	Investment	2,000,000	25/06/2018	19/12/2018	0.64%	177	6 months	9
Lancashire County Council	Investment	7,000,000	02/07/2018	02/10/2018	0.40%	92	60 months	NA
Coventry Building Society	Investment	1,000,000	04/07/2018	21/12/2018	0.66%	170	6 months	9
London Borough of Barking & Dagenham	Investment	4,500,000	05/07/2018	05/10/2018	0.45%	92	60 months	NA
Santander UK Plc	Investment	2,000,000	06/07/2018	28/12/2018	0.75%	175	6 months	9
Barclays Bank Plc (NRFB)	Investment	4,500,000	19/07/2018	17/01/2019	0.77%	182	6 months	9
Santander UK Plc	Investment	2,000,000	20/07/2018	16/01/2019	0.78%	180	6 months	9
National Westminster Bank PLC (RFB)	Investment	2,500,000	31/07/2018	31/07/2019	0.84%	365	12 months	12.5
Lloyds Bank Plc (RFB)	Investment	2,000,000	09/08/2018	09/08/2019	1.05%	365	12 months	10
Yorkshire Building Society	Investment	3,000,000	09/08/2018	15/11/2018	0.72%	98	100 days	7
National Westminster Bank PLC (RFB)	Investment	2,000,000	14/08/2018	14/08/2019	0.86%	365	12 months	12.5
Santander UK Plc	Investment	5,000,000	17/08/2018	15/02/2019	0.86%	182	6 months	9
Yorkshire Building Society	Investment	3,000,000	20/08/2018	19/11/2018	0.71%	91	100 days	7
Nationwide Building Society	Investment	1,000,000	23/08/2018	21/01/2019	0.72%	151	6 months	9
Coventry Building Society	Investment	1,500,000	24/08/2018	22/02/2019	0.79%	182	6 months	9
Close Brothers Ltd	Investment	9,000,000	06/09/2018	05/03/2019	0.85%	180	6 months	9
Yorkshire Building Society	Investment	1,000,000	07/09/2018	07/12/2018	0.71%	91	100 days	7
Dumfries & Galloway Council	Investment	4,000,000	07/09/2018	07/12/2018	0.67%	91	60 months	NA
Lloyds Bank Plc (RFB)	Investment	2,000,000	18/09/2018	18/09/2019	1.05%	365	12 months	10
Dumfries & Galloway Council	Investment	3,000,000	19/09/2018	19/12/2018	0.67%	91	60 months	NA
Nationwide Building Society	Investment	5,000,000	28/09/2018	29/03/2019	0.72%	182	6 months	9
London Borough of Barking & Dagenham	Investment	2,000,000	28/09/2018	04/01/2019	0.70%	98	60 months	NA
Lloyds Bank Plc (RFB)	Investment	1,000,000	28/09/2018	30/09/2019	1.05%	367	12 months	10

Appendix 2 – Link Asset Services’ Approved Lending List – UK Banks and Financial Institutions

Country	Counterparty	Approved Duration	DBC Limit (M)
U.K	Abbey National Treasury Services plc	6 months	9
U.K	Bank of Scotland PLC (RFB)	6 months	9
U.K	Barclays Bank PLC (NRFB)	6 months	9
U.K	Barclays Bank UK PLC (RFB)	6 months	9
U.K	Close Brothers Ltd	6 months	9
U.K	Goldman Sachs International Bank	6 months	9
U.K	HSBC Bank PLC (NRFB)	12 months	10
U.K	HSBC UK Bank Plc (RFB)	12 months	10
U.K	Lloyds Bank Corporate Markets Plc (NRFB)	6 months	9
U.K	Lloyds Bank Plc (RFB)	12 months	10
U.K	Santander UK plc	6 months	9
U.K	Standard Chartered Bank	6 months	9
U.K	Sumitomo Mitsui Banking Corporation Europe Ltd	6 months	9
U.K	UBS Ltd	12 months	10
U.K	Coventry BS	6 months	9
U.K	Leeds BS	100 days	7
U.K	Nationwide BS	6 months	9
U.K	Yorkshire BS	100 days	7
U.K	National Westminster Bank PLC (RFB)	12 months	12.5
U.K	The Royal Bank of Scotland Plc (RFB)	12 months	12.5



Report for:	Cabinet
Date of meeting:	11 December 2018
PART:	1
If Part II, reason:	

Title of report:	COMMITTEE TIMETABLE 2019/20
Contact:	Councillor D Collins, Portfolio Holder for Corporate and Contracted Services Author/Responsible Officer: Mark Brookes, Assistant Director for Corporate and Contracted Services Katie Mogan, Corporate and Democratic Support Lead Officer
Purpose of report:	To seek approval of the Meeting Timetable for 2019/20
Recommendations:	That Cabinet recommends Council approve the Meeting Timetable for 2019/20 as set out in Appendix A to this report.
Corporate objectives:	The various meetings of the Council, Cabinet and Committees support the achievement of the Council's Corporate Objectives.
Implications: 'Value For Money Implications:'	Approval of the Meeting Timetable enables Members and Officers to manage forward decision making planning.
Risk Implications	Not applicable.
Community Impact Assessment	Not applicable.
Health And Safety Implications	Not applicable.
Monitoring Officer/ S.151 Officer Comments	Monitoring Officer: No comments to add to the report. Deputy S.151 Officer: No further comments to add to the report.

Consultees:	The Leader of the Council and Corporate Management Team.
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	DMC – Development Management Committee F&R OSC – Finance & Resources Overview and Scrutiny Committee SPAE OSC – Strategic Planning & Environment Overview and Scrutiny Committee

BACKGROUND

1. Attached at Appendix A is a draft timetable showing the proposed dates for the meetings of the Full Council, the Cabinet, the Overview and Scrutiny Committees and the regulatory Committees for the municipal year 2019/20.
2. The timetable includes dates for the regular cycle of meetings for Council, the Cabinet, the Overview and Scrutiny Committees and the regulatory Committees such as Development Management, Standards and Licensing.
3. Appeals have not been scheduled on the timetable. These used to be scheduled on a Monday but due to the small number of Appeals that happen throughout the year, these are arranged by Corporate and Democratic Support when required subject to officer and member availability.
4. The three main Overview and Scrutiny Committees have been scheduled seven meetings in the year plus the two Joint Budget meetings which involves all three scrutiny committees. In addition, a number of "Call-in Contingency" dates have been set aside for call-ins arising from any of the Committees.
5. Monday evenings are mostly left free to enable those Members who are also Parish or Town Councillors to attend Town or Parish Council meetings which are traditionally held on Mondays.
6. School holidays are shaded and meetings are kept to a minimum during that time.
7. Considerations made when compiling the timetable include:
 - the Dacorum Community Safety Partnership (DCSP) has to meet when it does due to them considering end of financial year statistics, therefore should meet in May and October
 - the timetable starting point is organised around DMC and Full Council
 - needing to align O&S committees with the Quarterly Performance reporting schedule
 - budget setting process
 - Audit regime - Audit of Accounts
 - date of Annual Council
 - same day of the week for ease/consistency
 - Member availability – e.g. SPAE and F&R Chairmen cannot do first Tuesday of the month
 - dates of Elections
 - dates of School Holidays

Dacorum Borough Council – Meeting Timetable 2019/2020

	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	
MON			1											MON
TUES			2			1								TUES
WEDS	1		3 H&C OSC			2 MDSG			1 BANK HOLIDAY			1 OSC contingency		WEDS
THUR	2 ELECTION		4 DMC	1		3			2			2 DMC		THUR
FRI	3		5	2		4	1		3			3	1	FRI
SAT	4	1	6	3		5	2		4	1		4	2	SAT
SUN	5	2	7	4	1	6	3	1	5	2	1	5	3	SUN
MON	6 BANK HOLIDAY	3 JNC	8	5	2 JNC	7	4	2 JNC	6	3	2 JNC	6	4 BANK HOLIDAY	MON
TUES	7	4	9 F&R OSC	6	3 Health in Dacorum	8	5	3 Joint Budget	7	4 Joint budget	3	7	5	TUES
WEDS	8	5 H&C OSC	10 Call-in contingency	7	4 H&C OSC	9 H&C OSC	6 H&C OSC	4 MDSG	8 H&C OSC	5 Audit	4 H&C OSC	8 Call-in contingency	6	WEDS
THUR	9	6 Standards	11	8	5 DMC	10	7 DMC	5 Standards	9 DMC	6	5 Standards	9	7 ELECTION	THUR
FRI	10	7	12	9	6	11	8	6	10	7	6	10 BANK HOLIDAY	8	FRI
SAT	11	8	13	10	7	12	9	7	11	8	7	11	9	SAT
SUN	12	9	14	11	8	13	10	8	12	9	8	12	10	SUN
MON	13	10	15	12	9	14	11	9	13	10	9	13 BANK HOLIDAY	11	MON
TUES	14 Group meetings	11 F&R OSC	16 Group meetings	13	10 Cabinet Licensing	15 Cabinet Licensing	12 Cabinet Licensing	10 Cabinet Licensing	14 Cabinet Licensing	11 Cabinet Licensing	10 Cabinet Licensing	14 Group meeting	12 Group meetings	TUES
WEDS	15 Annual Council	12 Health in Dacorum	17 Council	14	11 F&R OSC	16 Call-in contingency	13 F&R OSC	11 Health in Dacorum	15 F&R OSC	12	11 Health in Dacorum	15 Council	13 Annual Council	WEDS
THUR	16	13 DMC	18 Member Development	15 DMC	12 Standards	17 DMC	14	12 DMC	16 Member Development	13 Member Development	12 DMC	16	14	THUR
FRI	17	14	19	16	13	18	15	13	17	14	13	17	15	FRI
SAT	18	15	20	17	14	19	16	14	18	15	14	18	16	SAT
SUN	19	16	21	18	15	20	17	15	19	16	15	19	17	SUN
MON	20	17	22	19	16	21	18	16	20	17	16	20	18	MON
TUES	21 Cabinet Licensing	18 SPAE OSC	23 SPAE OSC	20	17 Group meetings	22 F&R OSC	19 SPAE OSC	17	21 Group meetings	18 Group meetings	17 SPAE OSC	21 Cabinet Licensing	19 Cabinet Licensing	TUES
WEDS	22 DCSP	19 MDSG	24 Audit	21	18 Council	23 DCSP	20 Audit	18	22 Council	19 Council	18 MDSG	22 Member Development	20	WEDS
THUR	23 DMC	20 Member Development	25 DMC	22	19 Member Development	24 Member Development	21 Member Development	19	23 Call-in contingency	20 DMC	19 Member Development	23 DMC	21 DMC	THUR
FRI	24	21	26	23	20	25	22	20	24	21	20	24	22	FRI
SAT	25	22	27	24	21	26	23	21	25	22	21	25	23	SAT
SUN	26	23	28	25	22	27	24	22	26	23	22	26	24	SUN
MON	27 BANK HOLIDAY	24	29	26 BANK HOLIDAY	23	28	25	23	27	24	23	27	25 BANK HOLIDAY	MON
TUES	28	25 Cabinet Licensing	30 Cabinet Licensing	27	24 SPAE OSC	29 SPAE OSC	26 Group meetings	24	28 SPAE OSC	25	24 F&R OSC	28	26	TUES
WEDS	29	26	31	28	25 Audit	30	27 Council	25 CHRISTMAS DAY	29	26 Call-in contingency	25 Audit	29	27	WEDS
THUR	30	27		29	26 DMC	31	28 DMC	26 BOXING DAY	30 DMC	27	26	30	28	THUR
FRI	31	28		30	27		29	27	31	28	27		29	FRI
SAT		29		31	28		30	28		29	28		30	SAT
SUN		30			29			29			29		31	SUN
MON					30			30			30			MON
TUES								31			31			TUES

DCSP = Dacorum Community Safety Partnership
 JNC = Joint Negotiating Committee
 DEF = Dacorum Environmental Forum

H & C OSC = Housing & Community Overview & Scrutiny Committee
 SPAE OSC = Strategic Planning & Environment Overview & Scrutiny Committee
 F & R OSC = Finance & Resources Overview & Scrutiny Committee

School holiday dates are shaded

CABINET FORWARD PLAN

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
1.	29/01/19	Statement of Community Involvement Update		10/01/19	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk Chris Taylor, Group Manager Strategic Planning & Regeneration 01442 228000 Chris.taylor@dacorum.gov.uk	To update the Council's policy for public consultation and engagement on development planning and planning applications
2.	29/01/19	New Normal		10/01/19	Linda Roberts, Assistant Director People, Performance & Innovation 01442 228979 Linda.roberts@dacorum.gov.uk	To inform members about the New Normal Programme which is a council wide approach to continuous improvement and change management
3.	29/01/19	Growth and Infrastructure Strategy		10/01/19	Chris Taylor, Group Manager Strategic Planning & Regeneration 01442 228000 Chris.taylor@dacorum.gov.uk Mark Gaynor, Corporate Director for Housing and Regeneration 01442 228575 Mark.gaynor@dacorum.gov.uk	Sets out how the Council will plan how to meet the service demands arising from growth and the delivery of essential infrastructure
4.	29/01/19	New Build Update		10/01/19	Fiona Williamson, Assistant Director (Housing) 01442 228855 Fiona.williamson@dacorum.gov.uk	To provide an update on the Council Housing New Build Programme within the Borough
5.	29/01/19	Dog PSPO		10/01/19	David Austin, Assistant Director Neighbourhood Delivery, 01442 228355 david.austin@dacorum.gov.uk	To seek approval for a new PSPO in the Borough relating to dogs following public consultation over the summer.
6.	29/01/18	Car Parking Supplementary		10/01/18	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk	To be provided
7.	29/01/18	Cemetery Expansion and Crematorium		10/01/18	Nigel Howcutt, Assistant Director (Finance & Resources) 01442 228662 Nigel.howcutt@dacorum.gov.uk	To update Members on the expansion of Woodwells Cemetery and the potential development of a crematorium
8.	29/01/19	HMO Licensing Fees		10/01/19	Fiona Williamson, Assistant Director (Housing) 01442 228855 Fiona.williamson@dacorum.gov.uk	To be provided
9.	12/02/19	Budget		24/01/19	Nigel Howcutt, Assistant Director (Finance & Resources) 01442 228662 Nigel.howcutt@dacorum.gov.uk	To be provided
10.	12/02/19	Local Plan Update		24/01/19	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk	To report to Cabinet on progress with preparing the new Local Plan for the Borough

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
11.	19/03/19			28/02/2019		
12.	23/04/19			04/04/2019		

Future Cabinet Dates 2019: 21 May

Future Items:

Vehicle Repair Shop (D Austin) - To approve the maintenance and repair of equipment used by the Clean Safe and Green service being brought back in house
 Private Sector Housing Strategy - 21 May
 Longdean Leisure Services (M Brookes) - To consider proposals for the long term management of the leisure facility
 South West Herts Joint Strategic Plan (J Doe)