

Public Document Pack



Notice of Meeting:

Council

Meeting Location:

Council Chamber, Ealing Town Hall, New Broadway, Ealing W5 2BY

Date and Time:

Tuesday, 1 November 2022 at 7.00 pm

Contact for Enquiries:

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Chief Executive:

Tony Clements

Committee Membership: Councillors

M Ahmed, S Ahmed, J Anand, P Anand, J Ball, J Blacker, G Busuttil, J Gallant, K Sahota, K Bains, C Anderson, T Sidhu, B Rai, R Dheer, B Mahfouz, C Summers, L Brett, D Crawford, A Young, P Driscoll, V Alexander, Y Gordon, H Haili, M Hamidi, B Hashani, C Hersch, M Iqbal, A Jammu, S Jassal, Y Johnson, H Kaur Dheer, A Kelly, S Khan, I Kingston, P Knewstub, S Kohli, S Kumar, K Dhindsa, T Mahmood, G Malcolm, S Manro, D Martin, J Martin, P Mason, M Midha (Mayor), F Mohamed, K Mohan, G Murtaza, K K Nagpal, K Nagpal, I Nijhar, S Padda, G Quansah, F Conti, A Raza, M Rice, R Baaklini, C Sharma, G Shaw, D Costigan, G Stafford, A Steed, K Crawford, H Tailor (Deputy Mayor), C Tighe, L Wall, R Wall, B Wesson, S Donnelly and A Zissimos

AGENDA

1 Apologies for Absence and Attendance

2 Declarations of Interest

3 Minutes of the Meeting held on 26 July 2022 (Pages 7 - 18)

To approve as a correct record the minutes of the meeting held on 26 July 2022.

4 Minutes of the Meeting held on 20 September 2022 (Pages 19 - 20)

To approve as a correct record the minutes of the meeting held on 20 September 2022.

5 Mayor's Announcements

6 Petitions from Members of the Public

7 Petitions from Members of the Council

8 Questions from Members of the Public

Helen Chan has given notice that she wishes to ask the following question of Councillor Raza:

The latest statistics show that there have been 140,500 applications since the BN(O) visa route's introduction up to June 2022. It is estimated more than 35,000 Hongkongers have resided in London. Ealing Borough has always been Hongkongers' top choice for residing from then and now. According to the 2011 census data, Ealing was one of the top 10 boroughs with the highest numbers of residents of Hong Kong origin. Among all local councils in the UK, Ealing is one of the top 10 most preferable councils for Hong Kong new arrivals and states as the second most desirable in Greater London following Kingston upon Thames. Additionally, Ealing has been the 8th having the highest number of BN(O) children admission in London in the last school placement period.

It is known that more than £200,000 has been granted to local authorities to ensure Hongkongers have the best chance to thrive in

London through the Local Welcome Hong Kong Fund provided by the DLUCH. Eight local councils have applied for the funding, whereas Ealing is not on the recipient list. Therefore, will the Council inform the public:

Question: Whether the Council had applied for the funding, if so, of the details; if not, the reasons for that.

9 Questions from Members of the Council

(Pages 21 - 22)

10 Opposition Group Motion for Debate

Proposed by Councillor Gallant, seconded by Councillor Conti:

This Council notes that it is nearly six months since this administration was elected and that, in that time, no progress has been made in the following areas, thus rendering the Council Plan mere empty words:

- Conversion of Ealing Town Hall into an hotel
- Demolition of Perceval House and building of “Gotham Tower” in its place
- Replacement of Gurnell Swimming Pool
- Falling recycling rates

This Council calls for the Executive to abandon the first two projects, and to make progress on the second two issues.

11 Majority Group Motion for Debate

Proposed by Councillor Donnelly, Seconded by Councillor Mason:

This Council notes that:

- Households across Ealing are under massive strain and public services are seeing their budgets squeezed dramatically as mortgages rise, the pound has crashed, inflation takes hold, and a recession looms.
- Liz Truss has been one of the shortest serving Prime Ministers in history, but her time in office has been devastating for people in Ealing – the pound and gilt markets have crashed, the rent crisis in London has worsened and ordinary

people are paying hundreds more a month for their mortgages.

- This is a Tory crisis made in Downing Street, paid for by working people.
- There is a straight blue line between Liz Truss's failed mini-budget and the multi-billion-pound blackhole in the nation's finances: The Conservatives crashed the economy and now they want someone else to pick up the tab. They must not take it out on our communities.
- None of us voted for this ridiculous failed experiment – and Ealing shouldn't be punished for the Government's mistakes. Local services were already under serious strain due to rampant inflation, soaring interest rates, and rising demand.
- Roads need to be repaired, we must bring down crime, children need after-school clubs, bins have to be emptied, and streets must be kept clean. We need to build affordable housing, and we need to invest in the support that business needs to thrive.
- Ealing is an open, honest and transparent council. With hope and creativity, Ealing Council is already doing everything we can to support families through the Conservatives' cost of living crisis.
- While the Conservatives have been crashing the economy, we have been fighting to provide the support and services people need. Our residents shouldn't pay the price for their failure.

This Council therefore resolves to declare a 'Cost of Living and economic emergency' and calls on the Government to:

- Provide extra support for councils struggling with the effects of inflation and the possible impact of a recession.
- Ensure that councils, public services, and ordinary people don't pay the price for the Government's incompetence.
- Call a general election so that the British public can have their say on this disastrous government.

12 Motions not for Debate

(Pages 23 - 26)

13 Treasury Management Outturn 2021-22

(Pages 27 - 44)

14 Appointments to Committees

To be tabled at the meeting

15 Urgent Key Decisions Exempted from Call-in

The following urgent key decisions were made and exempted from call-in since the Council meeting in July:

- [Implementation of the Discretionary Energy Bill Rebate Schemes \(DEBRS\) to support for households affected by increase in energy costs](#)
- [Household Support Fund](#)

Published: Monday, 24 October 2022

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Minutes of the meeting of the Council

Date: Tuesday, 26 July 2022

Venue: Council Chamber, Ealing Town Hall, New Broadway, Ealing W5 2BY

Attendees (in person): Councillors

M Midha (Mayor) M Ahmed, S Ahmed, J Anand, P Anand, J Ball, J Blacker, G Busuttil, J Gallant, K Bains, C Anderson, T Sidhu, R Dheer, B Mahfouz, D Crawford, A Young, V Alexander, Y Gordon, H Haili, M Hamidi, B Hashani, C Hersch, M Iqbal, A Jammu, S Jassal, Y Johnson, H Kaur Dheer, A Kelly, S Khan, I Kingston, P Knewstub, S Kohli, S Kumar, T Mahmood, G Malcolm, S Manro, J Martin, F Mohamed, K Mohan, G Murtaza, K K Nagpal, K Nagpal, I Nijhar, S Padda, F Conti, A Raza, M Rice, R Baaklini, C Sharma, G Shaw, D Costigan, G Stafford, A Steed, K Crawford, H Tailor (Deputy Mayor), C Tighe, L Wall, R Wall, B Wesson, S Donnelly and A Zissimos

Apologies:

K Sahota, C Summers, L Brett, P Driscoll, D Martin, P Mason and G Quansah

Attendees (virtual): Councillors

B Rai

1 Apologies for Absence and Attendance

Apologies for absence were received from Councillors Mason, Summers, Brett, Quansah, Sahota, Driscoll, and D Martin.

Councillors Rai and Dhindsa were in attendance virtually.

2 Declarations of Interest

There were no declarations of pecuniary interest.

3 Minutes of the Meeting held on 21 June 2022

RESOLVED: That the minutes of the meeting held on 21 June 2022 are agreed as a correct record of the meeting.

4 Mayor's Announcements

The Mayor had attended the Descendants Awards ceremony a Civic Mass at Ealing Abbey

The Mayor was due to hold an awards ceremony for NHS staff on the following Friday, to recognise and celebrate their work over the course of the

pandemic. All Councillors were invited to the award ceremony and reception.

5 Petitions from Members of the Public

There were no petitions from members of the public.

6 Petitions from Members of the Council

There were no petitions from members of the Council.

7 Questions from Members of the Public

Margaret Thomas asked Councillor Costigan:

Why are four parking spaces in Strauss Road W4 reserved for the exclusive use of the Chiswick Family Practice from 7am to 7pm each weekday when that practice moved to new premises in Acton in March 2022? Assuming that the practice is no longer paying to reserve these four parking spaces I request please that they be returned to public use subject to the restrictions between 9am and 10am and between 3pm and 4pm imposed by the provisions of Controlled Parking Zone R

Councillor Costigan responded that:

Officers are currently taking steps to change the designation of those parking spaces and work will be complete in 6-8 weeks.

The Highways department is responsible for controlled parking zones on these roads and the practice hadn't given the Council advance notice that they were going to vacate the premises.

However the Council found out at the end of March and the Council prepared to change the bays. Unfortunately it isn't as simple as just changing the markings and signage, there are legal proceedings that need to be taken including changing the traffic order. Changing traffic orders is costly, so they are done in batches. This change of the traffic order to incorporate this set of bays into resident only parking is due to be taken in the next six to eight weeks.

Ting Ting Zhang asked Councillor Raza:

I feel unsafe walking to Ealing Broadway Station through Haven Green at night, or walking to St Mary's, Perivale through Pitshanger park. When I walk through Bunny Park I see blatant drug-taking. There have been robberies in broad daylight in Ealing Broadway. Is the council proposing any new measures to counter crime and make women like me feel completely safe in this borough?

Councillor Raza responded:

The Council is currently considering the findings of the Safer Ealing for Women survey, which was a listening exercise for women across the Borough. The locations that you had identified in your question had also been reported in this survey.

An action plan will be put together once the results of the survey have been analysed. These actions will improve safety for women in the borough.

In addition to this, Churchfield Recreation Ground and Brent Valley Park, often referred to as Bunny Park, have been allocated Council fund Antisocial Behaviour patrols, carried out by Parkguard. These patrols are effective, and recently they assisted the police in arresting three individuals for possession with intent to supply.

Richard Ward asked Councillor Costigan:

Can the council please consider allowing businesses located on a school street to be able to apply for a permit to drive on the school street at operational times, regardless of where their vehicle is registered?

Councillor Costigan responded:

One of the aims of school streets is part of the fight against air pollution, and particularly so around our schools. This is so our children and young people don't have to walk through pollution in the morning. Another reason for school streets is safety – to allow children to walk to school without having to dodge cars.

To achieve these objectives we need to significantly reduce the number of motor vehicles going down the streets the schools are located on.

The point is not to have lots of exemptions. This would mean that the restrictions wouldn't be as effective and would dilute the benefits of the scheme. In order to create this safer, clean environment there are only a very limited number of exemptions allowed. However it should be noted the restrictions are only in place in the morning and the afternoon meaning that the rest of the time the roads are available for general use.

Business owners can apply for a permit for vehicles that are registered to the vehicles to the business that is located in a school street. But exemptions don't go any wider than that for business owners. I know that for staff in schools, they come in 15 minutes earlier to avoid the school street. Most delivery drivers have a trolley and if they can't get to an address they can always use a trolley to make a delivery.

Monika Williams asked Councillor Costigan:

Are there any exceptional circumstances whereby a tree which is currently under a Tree Protection Order can be cut down?

Councillor Costigan responded:

This is something you can apply for if there is a tree that you think needs protecting in your area, if you think the tree has very strong amenity value. You can apply to the Council to get a TPO made. There are exemptions to tree protection orders, for example if you are a homeowner and you have a TPO protected tree on your property you can work on it if it is dangerous or is dying or diseased.

8 Questions from Members of the Council

Councillor Jammu asked Councillor Manro:

Can the Cabinet Member provide an update on the progress on work on the Southall reset?

Councillor Manro responded:

At our most recent meeting, Cabinet pressed the Southall reset button, to kickstart a new approach to community-led development in Southall. Southall has experienced significant changes over the past decade, primarily due to the large-scale investment in residential development. But we know this has created significant challenges for local people.

The pandemic has hit the community hard, with residents in Southall having had the highest rate of furlough in the country. And now the cost of living crisis has the potential to be disastrous for many residents.

This Labour administration has a new vision and ambition for Southall, which puts decent living incomes and supporting local businesses to thrive at the centre. We know that Southall has great potential to achieve more in bringing in new jobs and growing the local economy as a destination for visitors and shoppers from across London, the UK and the world.

We will embed the principles of community engagement, and have committed to bringing forward a Community-led Regeneration Charter that sets out clear rights for residents to shape and control the decisions being taken in their communities on housing and employment.

Finally, we have committed to investing nearly £9m in active travel in Southall, and supporting Let's Go Southall's amazing social movement to distribute 1,000 bikes to local people. This is in addition to the new Wellbeing Way project, which was launched yesterday and will invest

nearly £1m in improving the towpath for people walking, cycling, running and scooting.

We know we need to reset our relationship with the local community, and this programme sets out how we will do that. Officers are now putting in place the internal governance and decision-making structures to implement and deliver the Southall Reset. This agreement will then enable the council to quickly set up an external stakeholder engagement and delivery framework to ensure partners including the GLA and TfL release the funding for delivery and to ensure the Southall community are at the very heart of the decision making going forward.

Councillor Ball asked Councillor J Anand:

Will the new Town Forums be as well as or instead of Ward Forums?

Councillor J Anand responded:

When Ealing Labour were elected in May, we pledged to establish seven new Town Forums that will be an open, transparent and inclusive vehicle for local communities and stakeholders to have a greater say on what matters to them in their town. The new Town Forums will replace Ward Forums, and we are determined to ensure they are led by the community, for the community.

The Town Forums will also enable local communities to have more power to set the spending priorities for their local area from the £2m raised from the developer tax, i.e. the portion of the Community Infrastructure Levy that can be spent by communities on what they want, facilitating community initiatives and microfinancing. The CIL scheme will be adopted later in this administration. In advance of this, initial funding will be set aside for projects to be developed by the Town Forums, and an ICMD report to Cabinet in September will set out our proposals for how the forums will work for local people. Ward councillors will be consulted extensively on proposals.

This is part of our new approach to engagement in Ealing, which will help us to create a two way dialogue between the council and local people, with a council that truly listens and values what our residents tell us they want and need. That's why in our manifesto, and as you will hear in the Council Plan, we also pledged to introduce a Community Charter, setting out residents' rights and what can rightly be expected from the council in being open, inclusive, and transparent in everything we do. This means handing over power to communities and supporting residents to come together to take mutual ownership and management of the public assets you love, sustaining them well into the future.

Councillor Young asked Councillor Donnelly:

What services can be accessed in-person at the Customer Service Centre in Perceval House?

Councillor Donnelly responded:

Currently, services that can be accessed in-person from the Customer Service Centre in Perceval House by appointment are:

- Ealing Registration Service
- Social Care
- Archived planning documents

But we know that people don't want to have to travel to Perceval House for everything. It is our priority to ensure that our services are convenient and responsive for all residents. For some, that means ensuring our services are accessible online. For other residents, having the opportunity to discuss a problem face to face with an adviser is the best way to resolve an issue. When we were elected in May, we pledged to launch new community hubs, located within our seven towns, supporting residents to access council services at a one-stop place that can support those most impacted by the Tory cost of living crisis with wraparound support.

And we are already delivering. The customer services and community engagement teams have been piloting projects to place advisors in libraries in Ealing, Northolt, Acton and Southall. So far, around 500 residents have spoken to our advisors, which has driven footfall into libraries and meant people have avoided unnecessary journeys to Ealing Broadway.

We want to make sure that all our residents across all seven towns have convenient, nearby access to advice, not just residents of Ealing. That will truly demonstrate our commitment to equality, openness, and inclusion.

Councillor Mohamed asked Councillor Costigan:

Can the Cabinet Member provide an update on progress on the Air Quality Strategy?

Councillor Costigan responded:

The air pollution and climate crises are two of the biggest issues facing our borough, which we are committed to working together with our communities to tackle. London's air pollution can be fatal and tragically it contributed to 4,000 deaths across the capital in 2019 alone. For this reason, tackling air pollution is one of the council's top priorities, but we can't do it alone. The action we take as a council has to work for residents.

That's why we have been extensively engaging with residents, to understand their priorities for tackling air pollution, and what ideas local people have for improving their area. This could be solutions that enable walking and cycling to take dirty cars off the road, or greening our borough so trees help clean up our air.

We also asked people what has worked so far – and what hasn't. We are committed to continuously learning and improving on our successes, but we know that to be open, transparent and inclusive we also need to be honest and prepared to change our approach when needed.

We had an overwhelming response to the consultation – Ealing residents have yet again told us how important this is to them. Our survey received over 1,250 responses, and we held virtual focus groups which were attended by over 100 residents.

The responses from this initial engagement exercise have been used to help inform and develop a draft Air Quality Strategy and Action Plan. The drafts are in the final stage of review by officers and once finalised, it is the intention to seek comment on the draft strategy as part of a further public consultation exercise scheduled to commence in early September 2022.

The AQS will provide a guide to the air quality challenges facing Ealing, and set out actions being, or planned to be, implemented across the Borough to improve air quality. It offers a range of goals that will contribute to tackling poor air quality, pushing for future activities and developments to continually improve air quality, the wellbeing and sustainability for residents and visitors. We have a long way to go to clean up our air, but we are committed to doing all we can, and will be bringing forward ambitious targets and actions to match.

Councillor Steed asked Councillor Blacker:

As cases of the new covid variant increase with more hospital admissions, has the council considered introducing free covid test kits?

Councillor Blacker responded:

As a council, we share the concerns of rising covid cases. With rising hospital admissions, lack of adequate testing and blatant neglect by the government – covid-19 is still very much with us.

In London last week, the daily number of people testing positive was reported as 17,000. But we know that number is just a fraction of the whole picture.

In the face of rising cases, hardworking families cannot work amidst a

cost-of-living crisis and since the government ended universal testing on March 31st the NHS has been pushed to breaking point – declaring just last week ‘black alert’.

A benchmarking exercise was undertaken at a Northwest London level to investigate the viability of offering free universal testing, and at this subregional level, the decision taken was not to take this forward. We are of course limited by resource. If Cllr Steed and his colleagues want to be taken seriously as an official opposition – that is a challenge they must rise to face.

Our answer is to focus on what resources we have for the most vulnerable residents, and on communities most affected by Covid and the comorbidities associated with the highest risk.

Since April 1st, we have made surplus LFD tests from the universal testing programme available to council staff working with vulnerable residents to ensure we do not put them at risk.

And two weeks ago at Cabinet, we invested an additional £400,000 into tackling health inequalities in a borough where life expectancy is shorter in Southall than it is in Southfield.

We continue to promote covid vaccination, engaging with communities – understanding their hesitancy and using this work to tailor the vaccine offer. The government cut funding for community vaccine champions, but it is there that we can make the most difference and there we have invested another £90,000 a year to support this important work.

Councillor Sidhu asked Councillor Mahfouz:

Can the cabinet member bring an update on how the council is supporting residents during the current cost-of-living crisis?

Councillor Mahfouz responded:

In the face of 40-year high inflation rates, a fumbling government and an intervention package that barely scratched the surface in providing families with real, viable financial support, we are supporting residents as best we can in the face of this crisis.

We stand out from other local councils, with our generous and clearly focused Household Support Fund, which supports those who are on Free School Meals and those on benefits with children under five.

We have issued nearly 15,000 supermarket vouchers and are not stopping there. This autumn we will utilise the fund further to ensure pensioners receive a one-off payment via the Post Office of over £100. Helping them with rising costs and dramatic jumps in the costs of

living.

We are also continuing our discretionary council tax discount to residents who could benefit from the support, to pay their council tax bills.

To date over 53,000 residents have received their £150 payments as part of the energy rebate scheme. That is over 55% of those eligible. Applications for the scheme remain open and continue to be promoted through targeted emails, social media, and wider publications to ensure that everyone eligible can benefit from the payment.

Our community hubs and dedicated customer phone lines remain open to support any resident in filling out their application, asking any questions and physically providing support amidst the cost-of-living crisis.

We are doing all we can in the face of rising inflation, escalating energy costs and unsustainable price increases. But we know more needs to be done. Decades of austerity have hacked away at people's social security – and have left families on the breadline.

As Ealing Labour, we want to see people not just survive but thrive. Alongside our generous support packages and scheme - we continue to campaign to get the Government to do more, acknowledge the challenges and demand action in the face of this crisis.

Councillor Nijhar asked Councillor Donnelly:

Can the cabinet member provide an update on how the Government is supporting local councils to provide services to residents amidst the current inflation crisis?

Councillor Donnelly responded:

Colleagues have heard me say time and again that we are facing unprecedented, colliding crises of Brexit, covid, inflation, energy and the cost of living. These are hitting our residents hard and stretching council budgets to their limit. It is plainly clear that the Tory Government's so called 'levelling up' agenda means levelling down for local government, and for London in particular.

The Consumer Prices Index (CPI) rose by 9.4% in the 12 months to June 2022, up from 9.1% in May. London Councils has warned of £400m of additional budget pressures on boroughs in the capital as a result of skyrocketing inflation and those vital local services and economic recovery will be jeopardised without immediate extra investment and certainty over future funding.

And it's not just London - the cross-party, national Local Government

Association said local services that were seemingly secure just three months ago were now at risk of closure or cuts as we are alone scrambling to manage an unforeseen £2.4bn rise in costs.

Although there were some positive signals by the now former Department for Housing, Levelling Up and Communities Secretary of State, Michael Gove, that the Government would seek to move towards two year financial settlements, colleagues will of course be aware that shortly after that speech he was unceremoniously removed from his position. Neither of his colleagues now on the ballot for leadership have indicated that they would seek to honour his welcome commitments. Instead, they are proposing unfunded tax cuts and arguing about culture wars.

In the meantime, inflation continues to make almost all our service delivery considerably more challenging, and to date the government has not made any announcements or assurances to provide councils with additional financial support or increases in grant funding to manage these significant financial pressures.

This is hitting hardest in capital projects, where the impact of Covid, Brexit and the war in Ukraine have led to significant cost increases and pressures relating to the supply chain, labour and materials. Inflation pressures are also acute in adult social care, an already vulnerable market, with increases in energy, fuel and staff costs. The impact on inflation and the cost-of-living crisis on residents is also likely to increase demand for our services such as homelessness and adults and children's social care.

It has never been clearer that councils need certainty over in-year support and future local government finance settlements. We will continue to campaign for reliable and secure funding from Government, so that we can always be confident of being there when residents need us.

9 Council Plan 2022-26

Councillor Costigan moved, and Councillor Kingston seconded to Council Plan 2022-26. Councillors Malcolm, Conti, Wesson, Hersch, Gallant, J Anand, Ball, Stafford, Manro, Busuttil, Young, L Wall, Steed, Kumar, Kamaljit Kaur Nagpal, Blacker, Raza, Mahfouz, Donnelly, Bains, D Crawford and Shaw debated the content of the plan.

A vote was taken and it was **RESOLVED**: That Council:

- a) Agreed the Council Plan for 2022-26 (included as Appendix 1)
- b) Authorised the Director of Strategy and Engagement following consultation with the Leader, to make any amendments to the draft Council Plan for 2022-26 to take account of feedback from Council,

prior to publication.

10 Declarations of Interest

Councillor Costigan moved, and Councillor Kingston seconded and it was

RESOLVED: That Council:

1. Noted the contents of this report
2. Amended the constitution to substitute the attached updated contract procedure rules (Appendix 1) for the previous version of those rules (Appendix 2)
3. Authorised the Director of Legal and Democratic Services, following consultation with the Director of Finance to fully implement the updated contract procedure rules

11 Date of Next Meeting

The next meeting was due to be held on 1 November 2022.

Meeting commenced: 7.00 pm

Meeting finished: 9.30 pm

Signed:

Dated:

M Midha (Mayor)

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Public Document Pack Agenda Item 4

Minutes of the meeting of the Council

Date: Tuesday, 20 September 2022

Venue: Council Chamber, Ealing Town Hall, New Broadway, Ealing W5 2BY

Attendees (in person): Councillors

M Midha (Mayor), M Ahmed, J Anand, J Ball, J Blacker, J Gallant, K Bains, C Anderson, B Rai, R Dheer, B Mahfouz, L Brett, D Crawford, A Young, P Driscoll, V Alexander, Y Gordon, H Haili, M Hamidi, B Hashani, A Jammu, S Jassal, Y Johnson, H Kaur-Dheer, I Kingston, P Knewstub, T Mahmood, G Malcolm, D Martin, J Martin, P Mason, G Murtaza, K K Nagpal, K Nagpal, S Padda, G Quansah, F Conti, A Raza, M Rice, R Baaklini, C Sharma, G Shaw, D Costigan, G Stafford, A Steed, K Crawford, H Tailor (Deputy Mayor), C Tighe, L Wall, R Wall, B Wesson, S Donnelly and A Zissimos

1 Apologies for Absence and Attendance

Apologies for absence were received from Councillors Busuttil, Kelly, Manro, Kamaldeep Sahota and Summers.

Absent: Councillors Ahmed, Sidhu and Nijhar.

Apologies for lateness were received from Councillor K Crawford.

Councillors in attendance virtually:

Councillors P Anand, Dhindsa, Hersch, Kohli, Iqbal, Kumar, Mohan and Mohamed

2 Declarations of Interest

There were none.

3 Motion for Debate

Suspension of Standing Orders

Councillor Shaw moved, Councillor Malcolm seconded and Councillor Gallant supported, for the suspension of standing orders, in particular Rule 14.5 on the content and length of speeches.

Resolved

Council agreed the suspension of standing orders in particular Rule 14.5 on the content and length of speeches, to be suspended to allow the following speech lengths: Leaders of each political group 4 minutes each, all other speakers 2 minutes each. This would allow for maximum contributions.

Motion for Debate

Councillor Mason moved, Councillor Malcolm seconded and Councillor Gallant supported the motion.

The following faith leaders spoke on the motion:
Father David Neno, St Peters Church, Ealing
Rev. Rachel Bending, Ealing Methodist Church,
Father Ambrose, Ealing Abbey,
Janet Burden, Retired Rabbi
Dr Abdulkarim Khalil, West Ealing Mosque,
Amina Adam, Muslim Community
Navleen Kaur, Shri Guru Singh Gurwara, Southall

Councillors Malcolm, Gallant, Tighe, M Ahmed, Kam Nagpal, Mahmood, J Anand, Steed, Seema Kumar, Raza, D Crawford, Rice, Dheer, Kim Nagpal, Young, Alexander, Bains, Wesson, Stafford, Conti and Mohan responded to the motion.

At the end of the debate it was:

Resolved: That

This council shares in the grief of the nation at the death of Her Majesty, The Queen, Elizabeth II, by the Grace of God, of the United Kingdom of Great Britain and Northern Ireland and of Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith.

These, the Mayor and Burgesses of the London Borough of Ealing assembled, affirm our faithfulness and true allegiance to his Majesty, King Charles III, his heirs and successors, according to law.

4 Date of Next Meeting

The next meeting will take place on 1 November 2022 at 7pm.

Meeting commenced: 7.00 pm

Meeting finished: 8.40 pm

Signed:

Dated: Tuesday, 1 November 2022

M Midha (Mayor)

Agenda Item 9

COUNCIL ORAL QUESTIONS – 1 NOVEMBER 2022

No.	From	To Cabinet Member	Question
1.	Councillor Jammu	Councillor Blacker	Can the portfolio holder provide an update on providing the Real Living Wage to home care workers?
2.	Councillor Malcolm	Councillor Mason	<i>This question will be asked orally at the meeting and not published in advance</i>
3.	Councillor Conti	Councillor Costigan	We are getting regular reports of tree surgeons not giving notice to residents of when they are going to particular streets. Cars are therefore often parked under the tree that requires pruning, preventing work being carried out. Very often there is no clear timetable for when tree surgeons are planning to return. How is the tree contract being monitored for performance?
4.	Councillor Brett	Councillor Donnelly	Can the portfolio holder provide an update on how Ealing Council is supporting the lowest income households during the cost-of-living crisis, via Ealing's council tax reduction scheme?
5.	Councillor Ball	Councillor Mason	Does the Leader agree with Labour Party Conference that "Labour must make a commitment to introduce proportional representation for general elections in the next manifesto"?
6.	Councillor Baaklini	Councillor L Wall	Can the portfolio holder confirm whether the Government is providing sufficient support to local authorities to retrofit homes, which saves residents money and tackles the climate crisis?
7.	Councillor Wesson	Councillor Kamaljit Nagpal	Can the portfolio holder update members on the Young Adults Ce in Southall?

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Full Council - 1 November 2022

Motions not for Debate

Motion not for debate 1: Fighting anti-refugee laws

Proposer: Cllr Blerina Hashani

Seconder: Cllr Shital Manro

This Council notes that:

- Ealing is proud of our history of welcoming people seeking safety
- There are significant problems with the UK asylum system that affect people in Ealing including a record backlog of cases awaiting a decision, a de facto ban on working, and enforced poverty and homelessness
- The Nationality and Borders Act does not address these issues, and has instead created a two-tier system, punishing people seeking safety based on the journeys they make.
- Under these laws, people seeking safety will be criminalised and threatened with removal to Rwanda.
- People will be warehoused in large accommodation centres, segregated from communities and denied support.
- Many recognised refugees will receive a temporary and precarious status.

This Council believes that:

- Everyone's claim for asylum should be treated equally and fairly.
- These are fundamentally 'anti-refugee' laws that undermine internationally recognised rights for people fleeing war and persecution to seek safety.
- These measures will create ever-longer delays in the asylum process, lead to greater poverty and homelessness in Ealing and will undermine people's ability to rebuild their lives.
- People seeking safety should be housed as our neighbours and as a part of our communities.
- The UK needs an asylum system that empowers people seeking safety to rebuild their lives and enables communities to welcome them.

This Council resolves to

- Defend the right to seek safety from war and persecution in the UK and sign the national 'Fight the Anti-Refugee Laws' pledge.
- Call on the UK Government to withdraw the UK-Rwanda agreement, repeal the Nationality and Borders Act, and work with Local Authorities and communities to build a refugee protection system that treats all people with dignity and compassion.
- Join the network of cities and towns which promote the inclusion and welfare of people who are fleeing violence and persecution and work to become a recognised Council of Sanctuary.

Council motion not for debate 2: Congratulations to Chloe Kelly

Proposer: Cllr Tarept Sidhu

Seconder: Cllr Louise Brett

This Council wishes to congratulate the England Lionesses for their historic achievement in winning this summer's Women's European Championship. Throughout the tournament the entire squad, coaching and support staff dedicatedly worked to produce a number of fantastic performances.

This Council particularly recognises the resilience of Ealing's Chloe Kelly in recovering from a serious injury to make England's squad for the finals and scoring her first international goal in the final against Germany in July to win the game, securing the nation's first international silverware since 1966.

This Council further congratulates Chloe Kelly and the Lionesses for qualifying for the Women's World Cup in Australia and New Zealand next summer and sends our best wishes to Serina Wiegman's squad as they attempt to become the first nation in the history of women's football to win the European Championship and the World Cup consecutively.

This Council recommends to the Freedom of the Borough Committee that Chloe Kelly is nominated for Freedom of the London Borough of Ealing in recognition of her rise from Ealing student to role model for the nation's women and for her continued advocacy for women's sport.

Council motion not for debate 3

Proposer: Councillor Zissimos

Seconder: Councillor Steed

Ealing Council agrees to ask the Council's Chief Executive to write to Thames Water to demand that action is taken to stop future occurrences of the recent sewage floods affecting our borough.

Council motion not for debate 4

Proposer: Councillor Steed

Seconder: Councillor Malcolm

Ealing Council notes the comments by the Health Secretary Therese Coffey who admitted to sharing antibiotics with friends. Ealing Council further notes that the British Medical Association described those actions as both dangerous and against the law. Ealing Council agrees to publish advice at least on social media that courses of prescribed antibiotics should be completed and not shared with others.

Council motion not for debate 5

Proposer: Councillor Steed

Seconder: Councillor Malcolm

Ealing Council notes the cost of living crisis and the associated higher energy bills many residents in Ealing will be seeing. Ealing Council agrees to look at how many public buildings can be used as “warm banks” to help keep people out of the cold in the same way as food banks have been used to feed the hungry.

Council motion not for debate 6

Proposer: Councillor Busuttil

Seconder: Councillor Malcolm

Ealing Council notes that in London there are eleven ‘Library of Things’ including one in Hammersmith where people can rent items at a lower cost. Ealing Council agrees to look into where a suitable place for might be a ‘Library of Things’ in Ealing.

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Report for: Full Council
FOR INFORMATION
Item Number:

Contains Private and Confidential Information	No	Pursuant to para. (3) of Schedule 12A of the Local Government Act 1972
Title	Treasury Management Outturn 2021/22	
Responsible Officer	Emily Hill: Interim Strategic Director of Corporate Resources (S151 Officer)	
Author(s)	Bridget Uku, Finance Manager Pensions & Treasury Tel: 020 8825 5981 E-mail: ukub@ealing.gov.uk Amalio Alcazar, Treasury & Investments technician Tel: 020 8825 6589 Email: alcazara@ealing.gov.uk Bhavika Patel, Treasury & Strategic Investments Accountant Tel: 020 8825 6215 Email: Patelbha@ealing.gov.uk	
Portfolio	Cllr Steve Donnelly – Inclusive Economy	
For Consideration By	Full Council	
Date to be Considered	1 November 2022	
Implementation Date if Not Called In	N/A	
Affected Wards	N/A	
Area Committees	N/A	
Keywords/Index	Treasury, Borrowing, Lending, Investments, HRA Debt, Prudential Indicators	

Purpose of Report

This report outlines the Council's borrowing and investment activities for the financial year ending 31 March 2022. This report ensures that the Council is delivering its Treasury Management service in an open and transparent manner and that it is fulfilling its obligations under the Local Government Act 2003 to produce an annual review of activities.

The report is being submitted to Full Council to enable Members to fulfil their scrutiny role of the treasury management function as per CIPFA's Code of Practice on Treasury Management.

During the financial year 2021/22, all treasury management activities have been carried out in accordance with the approved limits. The report also provides information on the prevailing economic conditions in the final quarter of 2021/22.

1. Recommendations

Members are recommended to:

- 1.1 Note the Treasury Management activities and performance against targets for the period to 31 March 2022.
- 1.2 Note the Council's investment balance of £528.725m at 31 March 2022 of which £492.000m was invested with the Debt Management Office (DMO).
- 1.3 Note the Prudential Indicators outturn for 2021/22 which have all been maintained within the limits set by Full Council in March 2021 (set out in Appendix 1).

2. Reason for Decision and Options Considered

- 2.1 This report updates on both the borrowing and investment decisions made by the Chief Finance Officer in 2021/22 under delegated authority in the context of the prevailing economic conditions and considers Treasury Management Performance measured against the benchmark 7 day LIBID rate and the new SONIA rate which replaced the 7 day LIBID rate on the 1 January 2022.
- 2.2 Treasury management is defined as "the management of the Council's investments and cash flows; its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

Summary

- 2.3 This report summarises the following:
 - All treasury management activities were executed by authorised officers within the parameters agreed by the Council.
 - All investments were made to counterparties on the Council's approved Counterparty Investment list and within agreed limits.

- During the financial year, the Bank of England increased its base rate from 0.1% to 0.75%.
- There was £247.015m long-term borrowing raised during the year to March 2022.
- The existing long-term debt to fund capital expenditure has increased from £658.499m to £825.530m an increase of £167.031m mainly due to new borrowing for the General Fund (£150.032m), Broadway Living Registered Provider (£90.983m) and HRA (£6m). The consolidated rate of interest on borrowing was 3.16% at year end.
- The Council earned an average investment return of 0.097% on short term investments, outperforming the total of the rolling average 7 day LIBID rate (for 9 months) and the average SONIA O/N rate (for 3 months) of 0.043%.
- The Council currently holds no direct investments with overseas financial institutions, though these are held indirectly through the Council's Money Market Funds (MMF).
- The HRA debt is managed separately from General Fund debt but still falls under the responsibility of the Treasury Management function.

2.4 A glossary of terms is set out at the end of this report, to make this technical report as user friendly as possible.

3. Treasury Management Strategy 2021/22

3.1 The Council's Treasury Management Strategy for 2021/22 was approved on 2 March 2021 by Full Council. The strategy outlined how the treasury function would operate throughout the financial year 2021/22 including the limits and criteria to be used to determine organisations in which the Council would invest its surplus cash and the Council's policy on long term borrowing and limits on debt. The Council complied with the strategy throughout the financial year to 31 March 2022.

Investment of Pension Fund Cash

3.2 The Pension Fund's surplus cash is invested in accordance with the Council's Treasury Management Strategy agreed by Full Council on 2 March 2021, which was delegated to the Chief Finance Officer to manage on a day to day basis within set parameters. The cash is now held at the Pension Fund's custodian bank account from where it is swept nightly into a money market fund operated by Goldman Sachs.

3.3 The Treasury Management Strategy is reviewed monthly at the Treasury Risk & Investment Board (TRIB), a meeting consisting of senior Corporate Finance officers and chaired during 2021/22 by the Chief Finance Officer. The Pension Fund Panel (PFP) is updated on Pension Fund investment activities and the Chair of the PFP is briefed regularly.

4. Economic Background

4.1 The following is a summary of key economic conditions prevailing during the financial year 2021/22:

- The UK Gross Domestic Product (GDP) grew by 0.8% in the 3 months to March 2022.
 - The Consumer Price Index increased year on year in March to 7.0%.
 - The US economy fell by 1.4% in Quarter (Q) 1 2022.
 - The annual rate of growth in the Eurozone grew by 0.2% in Q1 2022.
- 4.2 The GDP data for March 2022 showed UK GDP expanded 0.8% in Q1 2022, slowing from a 1.3% expansion in Q4 and below market forecasts of 1%. The services sector increased 0.4%, with the largest contributions coming from information and communication, accommodation and food, and transportation and storage industries, while there was a decline in wholesale and retail.
- 4.3 UK inflation, as measured by the Consumer Price Index, increased to 7.0% in March 2022 from 6.2% in February 2022, which was above market forecasts of 6.7%. It was the highest inflation rate since 1992, with the largest upward pressure coming from fuel and petrol costs, although notably most prices were collected before the cut in fuel duty.
- 4.4 Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16 December 2021, 0.50% at its meeting of 4 February 2022 and then to 0.75% in March 2022.
- 4.5 The unemployment rate edged down to 3.8% in the 3 months to February 2022, from 3.9%, which was in line with market expectations.
- 4.6 The US economy contracted an annualised 1.4% in the first three months of 2022, well below forecasts of a 1.1% expansion and the previous quarter's final reading of 6.9%. Further, price growth (as measured by the Federal Reserve's preferred Personal Consumption Expenditure deflator) increased 5.2% year on year – easing from March's downwardly revised 5.3% but well above the central bank's 2% target.
- 4.7 The Eurozone economy expanded 0.2% in the first three months of 2022, edging just below market expectations and the previous quarter's reading of 0.3%.

5. Treasury Management Strategy Statement

Annual Investment Strategy

- 5.1 The Council's Annual Investment Strategy is an integral part of the approved Treasury Management Strategy for 2021/22 and there are no proposed changes. It outlines the Council's investment priorities as follows (in order of priority):

- Security of Capital
- Liquidity
- Yield

5.2 The Council aims to achieve the optimum return on investments commensurate with proper levels of security and liquidity.

5.3 The Council managed its investments in-house and invested with institutions on the Council's approved counterparty investment list. Following the global financial crises and persistent uncertainties, the Council remains relatively risk averse and operates a restricted counterparty investment list and a summary of the institutions to which the Council invested with is outlined below:

1. The UK Government directly (Debt Management Office)
2. The UK Government (Treasury Bill via King & Shaxson)
3. RBS
4. The Council's banker (Lloyds)
5. HSBC
6. Standard Chartered Bank (Certificate of Deposit via King & Shaxson)
7. Barclays Bank
8. Nationwide Building Society
9. AAA rated Money Market Funds

5.4 The Council's temporary borrowing and investment activity (that is 364 days or less) over the period is set out below:

Table 1: Overall Treasury Cash Flow Position as 31 March 2022

Description	Investments	Borrowing	Net Position
	£m	£m	£m
Outstanding 1 April 2021	228.598	-	228.598
Raised during period	2,634.484	-	2,634.484
Repayments during period	-2,334.357	-	-2,334.357
Outstanding 31 March 2022	528.725	-	528.725

**temporary borrowing is borrowing raised for the purposes of effectively managing the Council's cash flow need which is held separately from long term borrowing raised to fund capital investment*

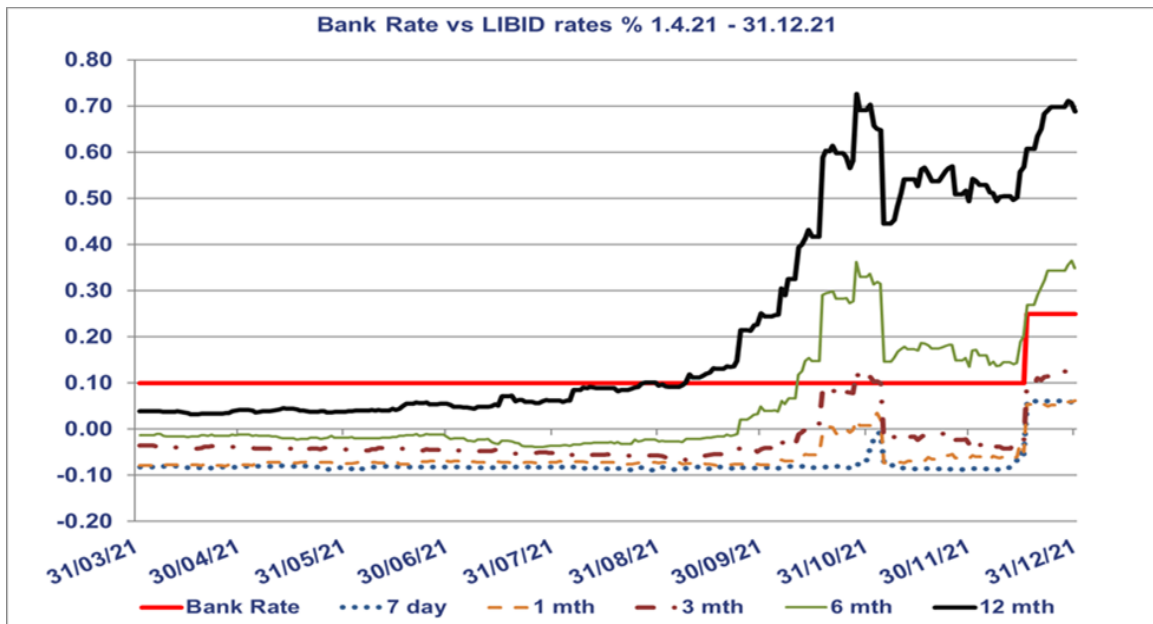
5.5 Over the 12 months to 31 March 2022, the Council's cash flows were maintained through borrowing and investment activities on the wholesale money market and the net investment position at 31 March 2022 was £528.725m.

5.6 There was no new temporary borrowing taken out in this financial year 2021/22.

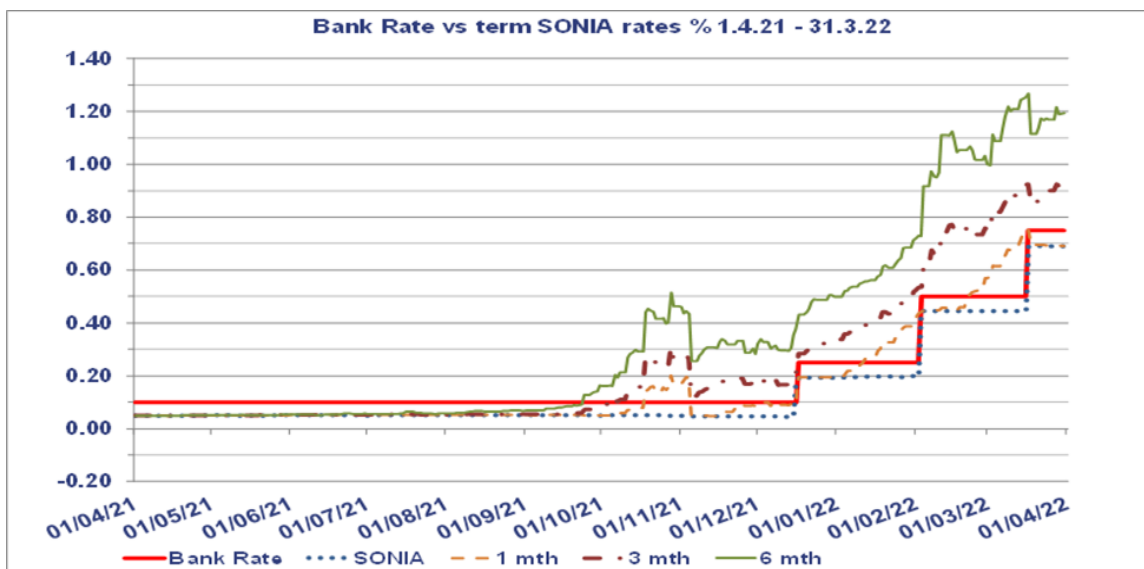
5.7 The Council has an agreement with West London Waste Authority (WLWA) and the Board of Mortlake Crematorium to invest funds on behalf of the organisations. The total funds under the arrangement at 31 March 2022 were £26.650m (£23.000m WLWA and £3.650m Mortlake Crematorium).

Investment Rate 2021/22

- 5.8 The Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged until raising it to 0.25% on 16 December 2021, 0.50% on 4 February 2022 and 0.75% in March 2022.
- 5.9 Investment rates were little changed throughout the first half of the year but started to increase gradually in the second half of the year.
- 5.10 The graphs below illustrates the investment rates movement over the course of 2021/22 for LIBID rates and SONIA overnight rates.



Investment Benchmarking Data – Sterling Overnight Index Average 2021/22



Investment Outturn

- 5.11 The Council's aim was to achieve optimum return on investments commensurate with the proper levels of security and liquidity. The Council has managed its investments internally and invested with institutions on the Council's approved lending list. Due to the ongoing volatile economic outlook, the Council operated a restricted lending list throughout the year, mainly investing in the UK Government, and a handful of financial institutions along with Money Market Funds (MMFs). The approved list of investment counterparties remains subject to on-going review by the Treasury Risk and Investment Board which meets monthly.
- 5.12 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Investments held by the Council

- 5.13 The Council maintained an average balance of £410.131m of internally managed funds and held an outstanding balance of £528.725m as 31 March 2022. The internally managed funds earned an average rate of 0.097%. The comparable performance indicator is the total average of the 7-day LIBID rate and Sonia O/N rate, which returned 0.054%. This is illustrated in the table below.

Table 2: Performance vs Benchmark

Month	Council Performance	Benchmark Rate (7 day LIBID rate)	Outperformance
Apr-21	0.066%	-0.082%	0.148%
May-21	0.047%	-0.082%	0.129%
Jun-21	0.055%	-0.082%	0.138%
Jul-21	0.049%	-0.083%	0.132%
Aug-21	0.032%	-0.085%	0.117%
Sep-21	0.022%	-0.084%	0.106%
Oct-21	0.023%	-0.081%	0.103%
Nov-21	0.025%	-0.076%	0.101%
Dec-21	0.044%	-0.012%	0.056%
Average against LIBID rate	0.040%	-0.074%	0.114%
Month	Council Performance	Benchmark Rate (1 day Sonia rate)	Underperformance
Jan-22	0.103%	0.195%	-0.092%
Feb-22	0.285%	0.419%	-0.134%
Mar-22	0.408%	0.564%	-0.155%
Average against SONIA O/N rate	0.266%	0.393%	-0.127%
Month	Council Performance	Benchmark Rate (7 day LIBID rate)	Outperformance
Average against LIBID & SONIA O/N rate	0.097%	0.043%	0.054%

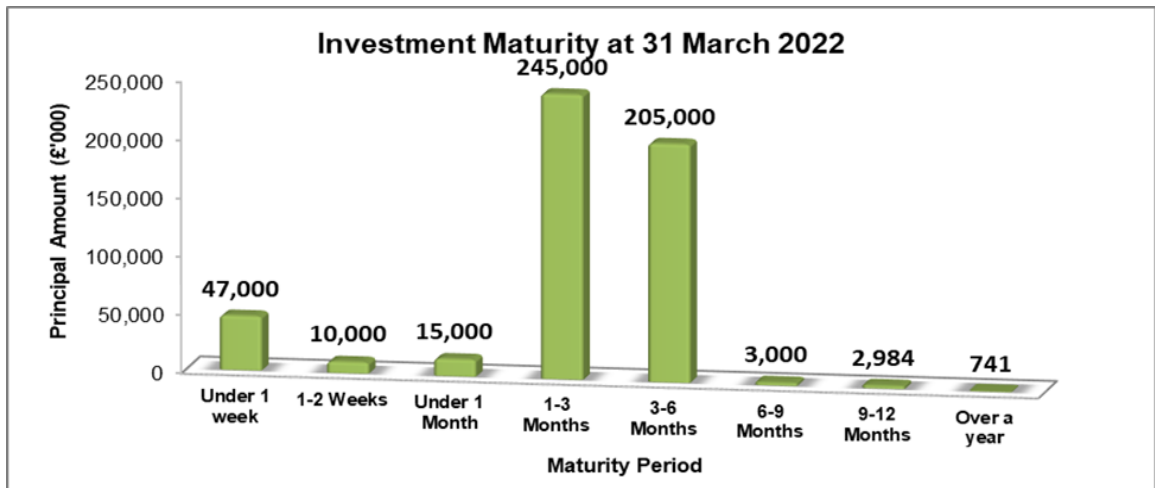
- 5.14 As a result of Covid, there was ongoing uncertainties in the economic environment during the year which meant that the Council continued to place investments in shorter term secure deposits with the Debt Management Office (DMO).

Table 3: Treasury Investment Portfolio at 31 March 2022

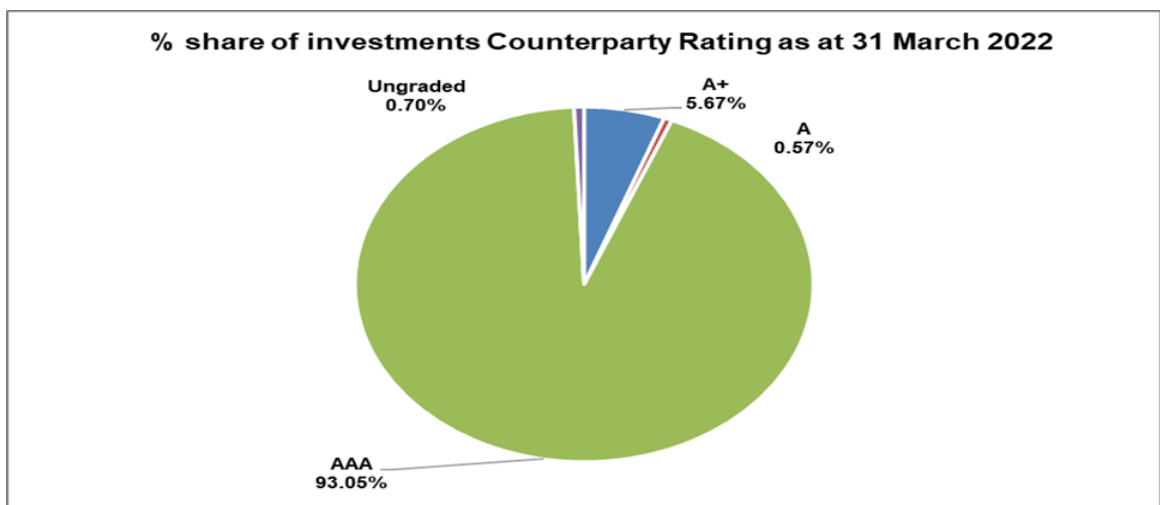
Counterparty Name	Total Investments at 31/03/2021	Total Investments at 31/03/2022
	£m	£m
Local authorities	-	-
Lloyds	30.000	30.000
Debt Management Office	196.500	492.000
Other **	2.098	6.725
Total Investments	228.598	528.725

** *Broadway Living Registered Provider (BLRP) £2.984m investment, £0.159m in Gunnersbury Estate CIC, £0.582m in Future Ealing and £3.000m with Nationwide Building Society.*

5.15 The Council continues to place investments with the DMO which are of high credit quality and are therefore on the Council’s approved list of counterparties. The Council had 19 investments placed across the DMO to the sum of £492.000m.



The Council currently has four investments that have a maturity period of over one year – Future Ealing Ltd, Gunnersbury Estate CIC and 2 Broadway Living Registered Provider (BLRP)



Ungraded includes Broadway Living Registered Provider (BLRP), Future Ealing and Gunnersbury Estate of 0.70%; AAA, A – Fitch credit rating

6 Long Term Borrowing Requirement and Debt

- 6.1 The Council's Treasury Management Strategy approved in March 2021 outlined the Council's long term borrowing strategy for the year. Over the course of the year to 31 March 2022, the Council's borrowing requirements were financed through both external and internal borrowing.

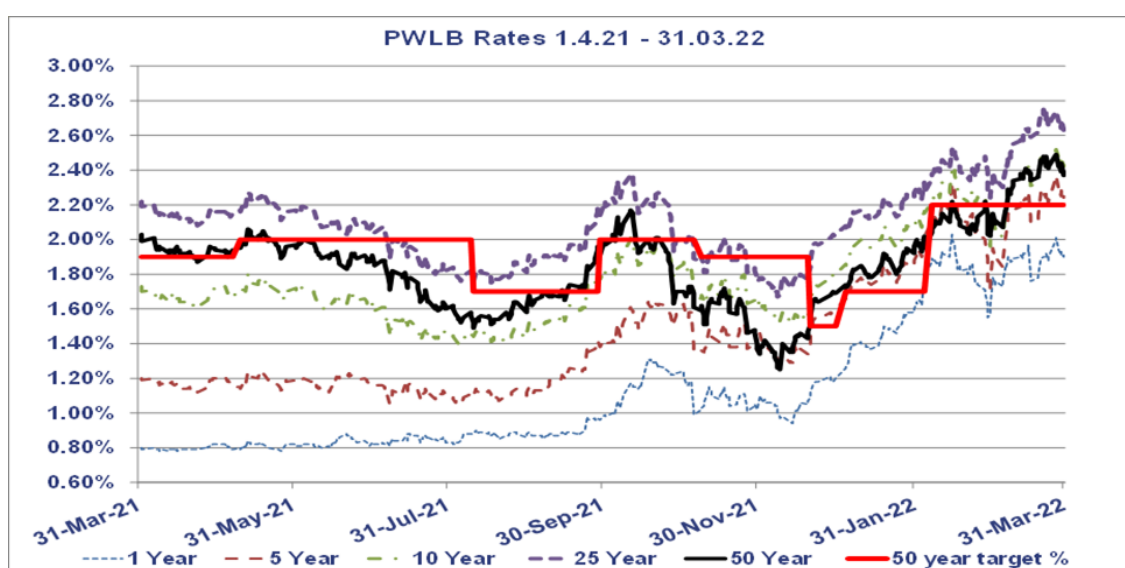
Borrowing Rates during 2021/22

- 6.2 The Council budgeted for an average interest rate of 3.68% on long term borrowing reflecting the overall Consolidated Rate of Interest for all debt. The table below shows the ranges of PWLB interest rates during the financing year.

Table 4: PWLB Interest Rates Ranges

Period	High	Low	Rate at 31/03/2022
5 Year Maturity	2.37%	1.05%	2.25%
10 Year Maturity	2.52%	1.39%	2.43%
25 Year Maturity	2.75%	1.67%	2.64%
50 Year Maturity	2.49%	1.25%	2.39%

- 6.3 As depicted in the graph and tables below, PWLB 25 and 50 year rates have been volatile during the year with little consistent trend. From December 2021 onwards the rates have gradually increased.



- 6.4 The Council raised £240.983m of PWLB borrowing during 2021/22 to take advantage of the good value levels of long-term borrowing rates. However, the Council still maintains an over-borrowed position of £157.967m and officers continue to monitor the position.
- 6.5 The total long-term borrowing at 31 March 2022 was £887.780m (including Mortlake Crematorium Board and WLWA). The following table shows the split between the General Fund, HRA and Broadway Living Register Provider (BLRP) borrowing, and that overall debt increased by £229.281m from £658.498m the previous year.

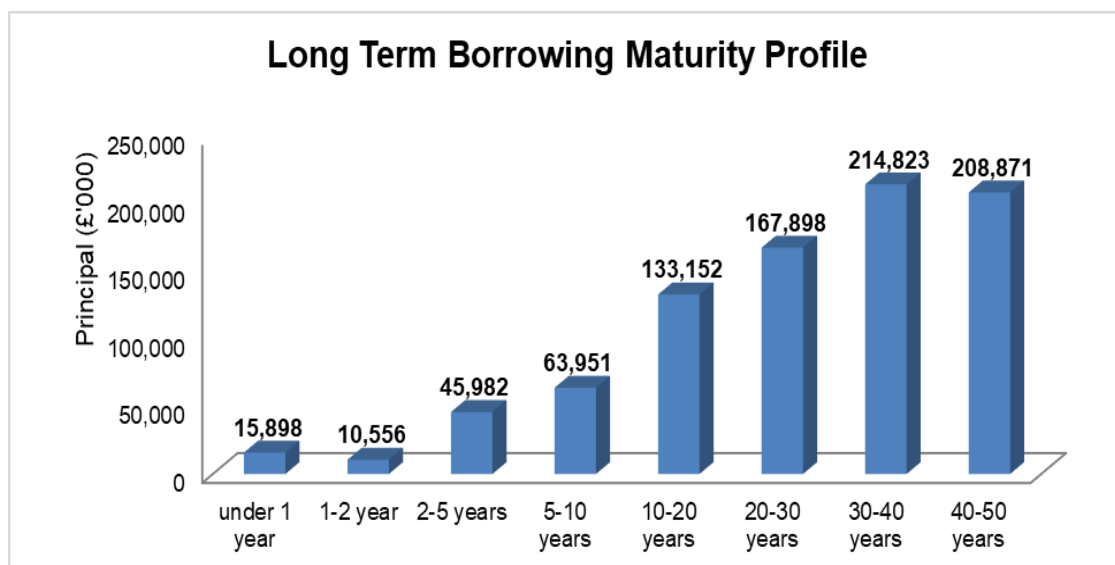
Table 5: External Debt

Source	Debt as at 31/03/2021	Loans raised	Loans repaid	Debt as at 31/03/2022
	£m	£m	£m	£m
General Fund :				
PWLB	383.954	144.000	-13.974	513.980
Market Loans	62.016	-	-	62.016
*Mortlake Crematorium	3.118	0.532	-	3.650
*WLWA	17.500	5.500	-	23.000
Total General Fund	466.588	150.032	-13.974	602.646
HRA :				
PWLB	165.927	6.000	-3.760	168.167
Market Loans	25.984	-	-	25.984
Total HRA	191.910	6.000	-3.760	194.150
Broadway Living Register Provider(BLRP)	-	90.983	-	90.983
Total Long-Term Borrowing	658.498	247.015	-17.734	887.780
**Memo Item: Other Long-Term Liabilities (OLTL)	106.048		-5.080	100.968

*The £0.532m "loan raised" relates to an arrangement between Mortlake and LB Ealing, where monies are passed on by Mortlake for investment by the Council on its behalf. There were £5.5m new loans raised for WLWA.

**Other Long-Term Liabilities (OLTL) include PFI schemes shown on the balance sheet as long-term creditors and are not classified under accounting rules as debt, shown for completeness.

Long Term Maturity Profile



The above graph does not include Mortlake £3.650m or WLWA £23.000m

6.6 The Council’s underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). The Council’s actual borrowing at the end of the financial year was more than the year-end CFR of £830.781m, which resulted in over-borrowing of £157.967m (meaning that the Council has borrowed funds in advance of the need to finance planned capital expenditure). The table below shows the breakdown of the Council’s total CFR.

Table 6: Capital Financing Requirement at 31 March 2022

Capital Financing Requirement	2020/21 Actual	2021/22 Actual
	£m	£m
CFR-Non Housing	513.653	524.993
CFR-Housing	164.644	187.844
CFR-Housing Loan/Equity to BL/BLRP	13.992	16.976
CFR - General Fund	692.289	729.813
OLTL	106.048	100.968
Total CFR inc. OLTR	798.337	830.781

Debt Rescheduling

- 6.7 Movements in interest rates over time can produce dislocations, which can present opportunities for the Council to replace existing loans with new loans at lower rates. The Council can also repay existing loans early without necessarily replacing the loans. These activities will attract a discount or premium depending on the prevailing market conditions. Debt rescheduling opportunities have been limited in the current economic climate following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010.
- 6.8 No debt rescheduling opportunities have arisen during the year, as the cost of premium to repay debt outweighs savings that could be achieved from the lower PWLB borrowing rates.

PWLB Certainty Rate

- 6.9 The government launched a discounted borrowing rate as part of the Budget in March 2012. The PWLB Certainty Rate was introduced by the PWLB in November 2012, allowing the Council to borrow at a reduction of 0.20% on the Standard Rate. The Council has applied and qualified to borrow at the preferential certainty rate.

8. Treasury Management Governance and Scrutiny

- 8.1 The Council continues to review and ensure that it embraces best practice in the risk management, control, monitoring and reporting of its treasury management processes.
- 8.2 In addition to the regular quarterly reports to Audit Committee, regular monitoring of Treasury Management activities is carried out by senior management, the portfolio holder for Inclusive Economy and the Treasury Risk and Investment Board (TRIB) which is chaired by the Chief Finance Officer.
- 8.3 The purpose of these reporting arrangements is to ensure that those with the ultimate responsibility for the Treasury Management function have an appreciation of the implications of treasury management policies and activities, and that those implementing the policies and executing transactions have properly fulfilled their responsibilities with regards to delegation and reporting.

Training

- 8.4 Members will once again receive a refresher training on Treasury Management in 2022. This is to ensure they maintain the relevant knowledge and skills to fulfil their scrutiny role in the most effective manner. Future training sessions will be arranged as and when required.
- 8.5 The Council has adopted and will continue to maintain the following reporting structure:

Report	Full Council	Audit Committee
Annual Treasury Management Strategy (March 2022)	✓	
Treasury Management Strategy updates / revisions as and when required	✓	
Annual Review of Treasury Management Strategy (March 2021)	✓	✓
Treasury Management Performance (Q1)		✓
Mid-Year Treasury Management Update (Q2)	✓	✓
Treasury Management Performance (Q3)		✓
Treasury Management Outturn	✓	✓

9. Financial implications

- 9.1 The Treasury Management outturn position has continued the trend of recent years, with lower financing costs and reduced spending mainly attributable to deferred borrowing and some slippage on the capital programme. However, with current market conditions starting to shift, the borrowing position is under constant review and the Council will consider new borrowing at appropriate times. The net outturn position for 2021/22 shows that the treasury function operated within budget over the reporting period.

10 Prudential Indicators

- 10.1 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 10.2 The benefit of the indicators will be derived from monitoring them over time rather than from the absolute value of each. The indicators are not intended to be used as comparators between councils. The Council's treasury management prudential indicators outturn position for 2021/22 is attached in Appendix 1.

11 Legal

- 11.1 The investment of surplus funds and any borrowing must comply with the Local Government Act 2003 as amended by regulations from time to time by the Government. Local authorities by virtue of section 15 (1) (a) of the 2003 Act must have regard to any guidance on investments issued by the Secretary of State, the latest such guidance was issued February 2018. Further, local authorities must have regard to other guidance specified by the Secretary of State under section 15 (1) (b) of the 2003 Act. Section 24 of the Local Authorities (Capital Finance and

Accounting) (England) Regulations 2003 specifically mentions that local authorities shall also have regard to the code of practice contained in the document entitled “Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes” published by CIPFA, as amended or reissued from time to time.

- 11.2 To comply with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 requires Full Council to approve an Annual Statement of Minimum Revenue Provision.

12 Value for Money

- 12.1 Assessment of value for money is achieved through:

- Monitoring against benchmarks
- Operating within budget

- 12.1 For example, internally managed investment returns exceeded the overall LIBID & SONIA 1 day rate benchmark for the financial year 2021/22 and the PWLB borrowing was monitored throughout the year, the budgeted rate for 2021/22 was 3.30%. In addition, the treasury function operated within budget over the reporting period.

13 Risk Management

- 13.1 There is no treasury management activity without risk. Risk management plays a fundamental role in treasury activities, due to the value of transactions involved. When placing investments with counterparties, risk management and security of capital always remain the priority over returns.
- 13.2 The adoption of the CIPFA Code for Treasury Management in Public Services, the use of an investment list and receiving advice from Link Asset Services mitigate some of the risk associated with optimising performance returns. Security of capital remains the priority in the Council’s investment with counterparties. The Treasury team continues to be alert to concerns regarding the pandemic and this is being considered in the Council’s Counterparty Investment List.

14 Links to Strategic Objectives

- 14.1 Proper and effective management of the Treasury Management function is an essential element of the financial administration process within the Council. Income generated from this source makes a significant contribution to the resources available to fund the Council’s strategic objectives.

15 Consultation

- 15.1 Link Asset Services provides the Council with advice on treasury management.

16 Appendices

- 16.1 Appendix 1 – Prudential Indicators 2021/22

17 Background Information

17.1 Investment and borrowing activity files are kept at Perceval House.

Consultation

Name of Consultee	Department	Date sent to consultee	Date response received	Comments appear in report para:
Emily Hill	Interim Strategic Director of Corporate Resources (S151)	18/07/2022		For reference
Emma Horner	Assistant Director Technical Finance	18/07/2022		Throughout

Report History

Decision type: For Action/Information	Urgency item? No
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Authorised by Cabinet member:	Date report drafted: 19/07/2022	Report deadline: 19/07/2022	Date report sent: 19/07/2022
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Report no.:	Report author and contact for queries:
	Bridget Uku, Finance Manager Pensions & Treasury, ext. 5981 Amalio Alcazar, Treasury & Investments Technician, ext. 6589 Bhavika Patel, Treasury & Strategic Investments Accountant, ext. 6215

Glossary of terms used in the report

CFR – Capital Financing Requirement – a measure of the Council’s underlying need to borrow to finance capital expenditure.

Counterparties – Organisations the Council invests its surplus money with e.g. Banks; Local Authorities and MMFs.

CPI & RPI – Consumer Prices Index & Retail Prices Index. The main inflation rate used in the UK is the CPI. The Chancellor of the Exchequer bases the UK inflation target on the CPI. The CPI inflation target is set at 2%. The CPI differs from the RPI in that CPI excludes housing costs. Also used is RPIX, which is a variation of RPI, one that removes mortgage interest payments.

Credit Default Swap (CDS) – A kind of protection that can be purchased by MMF companies from insurance companies (for their investment) in exchange for a payoff if the organisation they have invested in does not repay the loan i.e. they default.

Credit watch – A variety of special programs offered by credit rating agencies and financial institutions to monitor organisation/individual's (e.g. bank) credit report for any credit related changes. A credit watch allows the organisation/individuals to act on any red flags before they can have a detrimental effect on credit score/history.

DMO – Bank of England’s Debt Management Office.

Escrow Account – A money account held by an independent third party and disbursed upon fulfilment of certain contractual conditions.

GDP – Gross Domestic Product; a measure of a country’s economic growth.

Gilts – Bonds issued by the UK government. The holder is paid a fixed cash amount (coupon) every six months until maturity, at which point the final coupon is paid along with the principal.

IMF – The International Monetary Fund is an intergovernmental organisation which states its aims as to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduces poverty around the world.

Impaired investment – An investment that has had a reduction in value to reflect changes that could impact significantly on the benefits expected from it.

SONIA (Replaced LIBID on 1 January 2022) - Sterling Overnight Index Average is the effective overnight interest rate for unsecured transactions in the British sterling market.

LIBID – The London Interbank Bid Rate is the interest rate at which major banks in London are willing to borrow (bid for) funds from each other.

Market Loans – Loans from banks which are available on the London Money Market including LOBOS (Lender Option, Borrowing Option) which enable the Council to take advantage of low fixed interest for a number of years before an agreed variable rate comes into force.

MMF – Money Market Fund – a ‘pool’ of different types of investments managed by a fund manager, that invests in lightly liquid short term financial instruments with high credit rating.

MPC – Monetary Policy Committee designated by the Bank of England, whose main role is to regulate interest rates.

MRP – The Minimum Revenue Provision is the amount which must be set aside from the revenue budget each year to cover future repayment of loans.

Premium – Cost of early repayment of loan to PWLB to compensate for any losses that they may incur.

Prudential Indicators – Set of rules providing local authorities borrowing for funding capital projects under a professional code of practice developed by CIPFA and providing measures of affordability and prudence reflecting the Council’s Capital Expenditure, Debt and Treasury Management.

PWLB – Public Works Loan Board, a statutory body whose function is to lend money to Local Authorities (LAs) and other prescribed bodies. The PWLB normally are the cheapest source of long term borrowing for LAs.

QE – Quantitative Easing. Usually, central banks try to raise the amount of lending and activity in the economy indirectly, by cutting interest rates. Lower interest rates encourage people to spend, not save. But when short term interest rates can go no lower, a central bank can buy government bonds (including long-term bonds) or other financial assets (e.g. corporate bonds) in an effort to increase money supply and stimulate the economy. This is quantitative easing.

Treasury Bill – Short term debt instruments issued by the Government. They provide a return to the investor by virtue of being issued at a discount to their final redemption value.

Prudential Indicators 2021/22

APPENDIX 2

PRUDENTIAL INDICATOR	2021/22	2021/22
Capital Expenditure	Original Estimate	Outturn
Non - HRA	£'m	£'m
HRA	238.246	65.136
TOTAL	86.161	59.628
	324.407	124.764
Ratio of financing costs to net revenue stream	%	%
Non - HRA	15.16%	10.76%
HRA (applies only to housing authorities)	10.91%	10.47%
Capital Financing Requirement as at 31 March	£'m	£'m
Non - HRA	781.757	541.969
HRA	196.579	187.844
OLTL	111.908	100.968
TOTAL	1,090.244	830.781
PRUDENTIAL INDICATOR	2021/22	2021/22
	Original Estimate	Outturn
Authorised Limit for external debt -	£'m	£'m
Debt	1,194.378	749.813
Other long term liabilities	111.908	100.968
TOTAL	1,306.286	850.781
Operational Boundary for external debt -	£'m	£'m
Debt	1,154.378	729.813
Other long term liabilities	111.908	100.968
TOTAL	1,266.286	830.781
Upper limit for fixed interest rate exposure	%	%
Net principal - fixed rate borrowing/investment	100	100%
Upper limit for variable rate exposure	%	%
Net principal - variable rate borrowing/investment	50	0%
Upper limit for total principal sums invested for over 364 days	£m	£'m
Investments	20	0

Maturity structure of fixed rate borrowing during 2021/22	Lower limit	Upper limit	Outturn
Under 12 months	0.00%	10.00%	4.79%
12 months to 2 years	0.00%	10.00%	1.19%
2 years to 5 years	0.00%	20.00%	5.18%
5 years to 10 years	0.00%	20.00%	7.20%
10 years and above	40.00%	90.00%	81.64%
Maturity Structure of variable interest rate borrowing 2021/22	Lower limit	Upper limit	Outturn
Under 12 months	0%	10%	0.00%
12 months to 2 years	0%	10%	0.00%
2 years to 5 years	0%	10%	0.00%
5 years to 10 years	0%	10%	0.00%
10 years and above	0%	40%	0.00%

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