

# **MEETING OF THE COUNCIL**



**Thursday, 13th October, 2016**

**7.00 pm**

**Council Chamber  
Thanet District Council  
Margate**

**[www.thanet.gov.uk](http://www.thanet.gov.uk)  
01843 577000**



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Date: 3 October 2016  
Ask For: James Clapson  
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You are hereby summoned to attend the meeting of the Thanet District Council to be held in the Council Chamber, Council Offices, Cecil Street, Margate, Kent on Thursday, 13 October 2016 at 7.00 pm for the purpose of transacting the business mentioned below.

*Timothy Howes*

Director of Corporate Governance

To: The Members of Thanet District Council

**FIRE ALARM PROCEDURES:** If the fire alarm is activated, please vacate the offices via the stairs either through the security door to the left of the Chairman or opposite the lifts in the foyer. Please do not use the lifts. Please assemble in Hawley Square on the green. Officers will assist you and advise when it is deemed safe to return to the Chamber.

## **AGENDA**

Item  
No

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES OF PREVIOUS MEETING** (Pages 1 - 6)

To approve the Minutes of the meeting of Council held on 14 July 2016, copy attached.

3. **ANNOUNCEMENTS**

To receive any announcements from the Chairman, Leader, Members of the Cabinet or Chief Executive in accordance with Council Procedure Rule 2.2 (iv).

4. **DECLARATIONS OF INTEREST**

To receive any declarations of interest from Members in accordance with Council Procedure rule 2.2 (v)

5. **PETITIONS**

To receive petitions from the public in accordance with Council Procedure Rule 12.

5a **PETITION TO CHANGE THE NO.9 BUS ROUTE** (Pages 7 - 10)

Item  
No

Subject

5b **PETITION REGARDING CONDEMNATION OF RACISM, XENOPHOBIA AND HATE CRIMES ACROSS THANET** (Pages 11 - 14)

6. **QUESTIONS FROM THE PRESS AND PUBLIC**

To receive questions received from the press or public in accordance with Council Procedure Rule 13.

7. **QUESTIONS FROM MEMBERS OF THE COUNCIL**

To receive questions from Members of the Council in accordance with Council Procedure Rule 14.

8. **NOTICE OF MOTION**

To receive any Notices of Motion from Members of Council in accordance with the Council Procedure Rule 3.

9. **LEADERS REPORT** (Pages 15 - 16)

To receive a report from the Leader of the Council in accordance with Council Procedure Rule 2.4.

10. **REPORT OF THE CHAIRMAN OF THE OVERVIEW AND SCRUTINY PANEL**  
(Pages 17 - 22)

To receive a report from the Chairman of the Overview and Scrutiny Panel in accordance with Council Procedure Rule 15.1.

11. **ANNUAL TREASURY MANAGEMENT REVIEW 2015/16** (Pages 23 - 36)

12. **CHANGES TO COMMITTEES, PANELS AND BOARDS - 2016/17** (Pages 37 - 52)

13. **STANDARDS HEARING DECISION** (Pages 53 - 60)

**Declaration of Interests Form**

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## COUNCIL

### Minutes of the meeting held on 14 July 2016 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

**Present:** Councillors Ashbee, Bambridge, Bayford, Braidwood, Brimm, Buckley, Campbell, K Coleman-Cooke, Connor, Constantine, Crow-Brown, Curran, Dawson, Dellar, Dennis, Dexter, Dixon, Edwards, Elenor, Evans, J Fairbrass, L Fairbrass, Falcon, Fenner, Game, I Gregory, K Gregory, Grove, Hayton, G Hillman, Howes, Jaye-Jones, Johnston, Larkins, Matterface, Parsons, Partington, Piper, L Potts, R Potts, Rogers, D Saunders, M Saunders, Savage, Shonk, Stummer-Schmertzing, Taylor, Taylor-Smith, Tomlinson, Townend and Wells.

#### 1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors G. Coleman-Cooke, Day and Martin.

#### 2. MINUTES OF PREVIOUS MEETING

It was proposed by the Chairman, seconded by the Vice-Chairman and agreed, that the minutes of the Council meeting held on 12 May 2016 be approved and signed by the Chairman.

#### 3. ANNOUNCEMENTS

Congratulations were offered to Councillor Roy Potts on his recent election.

The Chairman announced that former Councillor Paul Archard had recently passed away. Members paid tribute to his accomplishments and all present stood for a minute's silence as a mark of respect.

#### 4. DECLARATIONS OF INTEREST

Mr Howes, Director of Corporate Governance and Monitoring Officer, advised that he and Ms Homer the Chief Executive, wished to declare an interest in agenda item 12b as they were statutory officers of the Council.

#### 5. PETITIONS

No petitions had been received by the Council in accordance with the petition scheme.

#### 6. QUESTIONS FROM THE PRESS AND PUBLIC

Mr Bell asked Councillor Crow-Brown, Cabinet Member for Corporate Governance Services, the following question:

"When the Court ordered Thanet District Council to pay compensation, the claimants stated their claim at £1.5 million. This has now risen to £4.7 million plus costs estimated at £1.5 million.

Will the Council now conduct an independent, publicly accessible enquiry into the handling of this claim?"

Councillor Crow-Brown responded with the following points:

- An independent enquiry had been conducted by the High Court in 2014.
- The High Court's judgement was publically available on the internet.
- Additional claimants had come forward since 2014, and claims had been settled on the basis of advice received from an independent barrister.
- There was no justification or benefit to be gained in spending further legal time and costs on a publicly accessible enquiry.

## **7. QUESTIONS FROM MEMBERS OF THE COUNCIL**

Councillor Savage asked Councillor Stummer-Schmertzling, Cabinet Member for Regeneration and Enterprise Services the following question:

"In the light of changed economic prospects facing the country and Thanet principally our concern, the work of the Invest Thanet Board becomes increasingly important.

The minutes of the last meeting are still unavailable even though the meeting took place back on 22/4/16. When will these minutes be available?"

Councillor Stummer-Schmertzling responded that:

- The minutes from the Invest Thanet Board meeting held on 22 April 16 would be signed off at the next meeting of the Board, scheduled to take place on 15 July. The minutes would be published shortly afterwards.
- The Invest Thanet Board had been reviewing its activities to ensure future economic challenges were met.

Councillor Savage followed up his question by asking; in the light of economic warnings from the Bank of England and Institute of Fiscal Studies, what was the plan of action to safeguard and improve Thanet's prospects following 'Brexit'?

Councillor Stummer-Schmertzling responded that the Board would meet more regularly in future, which he expected this to help drive things forward.

## **8. NOTICE OF MOTION**

### **(a) Notice of Motion in relation to Pension Inequality**

It was proposed by Councillor Matterface and seconded by Councillor Constantine that:

"Thanet District Council supports the national and local Women Against State Pension Inequality (WASPI) campaign, the campaign for better transitional arrangements for those women born after April 6th 1951 who now find they will receive their state pension aged 66 not aged 60.

According to the 2011 census, there are over 13,000 women between 50 and 64 living in Thanet. We need to ensure all women and their families in the affected age group are made aware of the implications of this change due to the impact on family life and the local economy and wish to send a strong message to the Secretary of State for Work and Pensions deploring his department's failure to alert women of the changes"

In accordance with council procedure rule 3.7, Councillor Wells, Leader of the Council provided a response to the motion.

The Leader proposed, Councillor L Fairbrass seconded and Members agreed to discuss the motion.

After discussion, the motion was declared carried.

(b) **Notice of Motion in Relation to the Condemnation of Racism, Xenophobia and Hate Crimes**

It was proposed by Councillor Johnston and seconded by Councillor Fenner that:

“We are proud to live in a diverse and tolerant society. Racism, xenophobia and hate crimes have no place in our country.

Thanet District Council condemns racism, xenophobia and hate crimes unequivocally. We will not allow hate to become acceptable.

This Council will continue to work to ensure local bodies and programmes have the support and resources needed to fight and prevent racism and xenophobia.

We reassure all people living in Thanet they are valued members of our community.”

In accordance with council procedure rule 3.7, Councillor L Fairbrass, Leader of the Council provided a response to the motion.

Councillor L Fairbrass proposed, Councillor Grove seconded and Members agreed not to discuss the motion.

As Council agreed not to debate the motion, the motion fell.

## **9. LEADERS REPORT**

It was noted that the Leader had not compiled with council procedure rule 2.4, namely;

‘The Leader of the Council will make available in writing the content of his oral report to opposition group leaders no later than the Saturday before the meeting’

As the Saturday deadline had not been met, the Chairman asked Members whether they wished to consider the item. A vote was held and Members agreed that the Leader should present his report.

During his report the Leader covered the following areas:

- The launch of consultation on the council tax reduction scheme.
- A successful prosecution for fly tipping.
- Thanet’s beaches achieved seven blue flag awards.
- Thanks offered to volunteers working to renovate and improve parts of Broadstairs harbour and Ramsgate seafront and roundabouts.
- Attendance of a Thames Estuary Commission briefing.
- Thanet’s bid for Kent and Essex Local Enterprise Partnership monies, the Leader hoped to report on the bid’s success in due course.
- Meeting with police and other partners in preparation for Broadstairs Folk Week.
- Discussed services around rape reporting and mental health services with the new Police Commissioner Mathew Scott.

Councillor Bayford as Leader of the Conservative Party advised that he would not participate in the item as he believed the conditions of council procedure rule 2.4 had not been met.

Councillor Matterface as leader of the Labour Party made the following point:

- There would be an open top bus service in operation between the Boating Pool, Ramsgate and Stone Bay, Broadstairs for the school holidays.

The Leader welcomed the news of an open top bus service.

Councillor Ashbee as leader of the Democratic Independent Group made the following point:

- Recognition of the quality of Thanet's beaches was well deserved; however grass cutting along the district's promenades was needed desperately in places. Residents had asked for a cutting schedule.

The Leader acknowledged Councillor Ashbee's concern and advised that a new cutting rota had recently commenced, and would shortly be available to view on the internet.

Councillor Grove as leader of the Independent Group made the following point:

- It was good to hear of the beach awards, a key asset within Thanet, and of the progress being made within the District. He thanked the Leader for his efforts.

## **10. REPORT OF THE CHAIRMAN OF THE OVERVIEW AND SCRUTINY PANEL**

Councillor D Saunders, the Chairman of the Overview and Scrutiny Panel (OSP), presented his report and the following points were noted:

- The Panel had agreed to conduct most of its work through its reconstituted sub-committees.
- The Chairman had met with officers to discuss options to make the Committee more effective, and the Chairman supported the proposal to trial new public speaking arrangements at Panel meetings.
- The Panel had requested to be kept abreast of developments regarding Dreamland and awaited the completion of the audit investigation that was expected to conclude in August.
- Thanks were offered for the programme of Member training, particularly in relation to scrutiny.

## **11. SINGLE DISTRICT STATEMENT OF INTENT**

It was proposed by the Leader, seconded by Councillor L Fairbrass and Members agreed the recommendations as shown in the report, namely that:

1. Council consider the proposals and provide views.
2. Provide an additional £20,000 funding from general reserves to support the preparation of a business case.
3. That the formulation of any plan or strategy to implement any proposed merger of the East Kent district councils be a matter of policy framework and be reserved for the consideration of the full Council pursuant to Article 4.01 (a) of the Constitution of the Council."

## **12. CONSTITUTIONAL CHANGES**

### **(a) Public Speaking at Meetings**

It was proposed by the Chairman, seconded by the Vice-Chairman and Members agreed the recommendation as shown in the report, namely:

"That Council adopts the draft public participation scheme as outlined in Annex 1 of the report and amends the Council's constitution as outlined at Annex 2 of the report."

### **(b) Modification of prescribed standing orders relating to the dismissal of Statutory Officers**



It was proposed by the Chairman, seconded by the Vice-Chairman and Members agreed the recommendations as shown in paragraph 5 of the report, namely:

- “5.1 That the modifications to the Prescribed Standing Orders relating to staff, be modified as set out in Appendix 1 to this report and be incorporated into the Council’s Constitution
- 5.2 That the Council does not appoint a standing panel to deal with dismissals but appoints a panel on an ad hoc basis as required.”

(c) **East Kent Services delegations**

It was proposed by the Chairman, seconded by the Vice-Chairman and Members agreed the recommendations as shown in the report, namely that:

“Council approve the proposed amendments to the delegations as shown in the report.”

**13. CHANGES TO COMMITTEES, PANELS AND BOARDS - 2016/17**

**PROPORTIONALITY**

The Leader proposed, the Councillor L Fairbrass seconded and Members agreed option 3 as detailed in paragraph 2.7.1 of the report, namely:

“That one seat is removed from the Licensing Board and as a result the DIG group loses its seat on that Committee. That one seat is removed from the Overview and Scrutiny Panel and as a result the DIG group loses its seat on that Committee. That one seat is removed from the Governance and Audit Committee and as a result the DIG group loses its seat on that Committee.”

**NOMINATION OF MEMBERS TO SERVE ON COMMITTEES**

Group leaders advised of changes to their nominations to sit on committees as summarised in Table 1 below.

Table 1.

<b>Committee / Group</b>	<b>Previous Position</b>	<b>New Position</b>
<b>Planning Committee</b>		
UKIP	Cllr Leys	Cllr Roy Potts
<b>Licensing Board</b>		
DIG	Cllr Ashbee	No entitlement to a seat
UKIP	Cllr Leys	Cllr Roy Potts
<b>Overview and Scrutiny Panel</b>		
DIG	Cllr Elenor	No entitlement to a seat
<b>General Purposes</b>		
DIG	Vacant	Cllr Ashbee
<b>Governance and Audit</b>		
DIG	Cllr Ashbee	No entitlement to a seat
<b>Governance and Audit Substitutes</b>		
UKIP	Cllr Leys	Cllr Roy Potts
<b>BEAP WP</b>		
DIG	Vacant	Cllr Ashbee
<b>CRWP</b>		
DIG	Vacant	Cllr Elenor

Meeting concluded: 8.55 pm

**PETITION TO CHANGE THE NO.9 BUS ROUTE**

**Meeting – 13 October 2016**

Report Author                                **Nick Hughes, Committee Services Manager**

Portfolio Holder                              **Councillor Crow-Brown, Cabinet Member for Corporate Governance Services**

Status    **For recommendation**

Classification:                                **Unrestricted**

Key Decision                                  **No**

Ward:     **Thanet Villages**

**Executive Summary:**

A petition containing 59 valid signatures has been received by the Council from residents of Minster and Monkton who ask for a change in the route of the number 9 bus.

This report sets out how the Council deals with petitions of this size, it explains that the petition organiser will present the petition to the meeting and sets out the next steps as to how the Council will deal with the petition.

**Recommendation(s):**

Under the Council’s petitions scheme, Council is required to refer the petition to Cabinet without debate for report back to Council.

**CORPORATE IMPLICATIONS**

<b>Financial and Value for Money</b>	There are no identified financial implications from this report.
<b>Legal</b>	This matter is dealt with under the Council’s scheme for dealing with petitions from the public which is contained within the constitution.
<b>Corporate</b>	In accordance with the Council’s petition scheme if a petition has over 25, but less than 650, signatories, it will be referred to Cabinet or an appropriate committee without debate for report to Council within three ordinary meetings.
<b>Equalities Act 2010 &amp; Public Sector Equality Duty</b>	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.  Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	x
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	x
	Foster good relations between people who share a protected characteristic and people who do not share it.	
There are no specific equity and equalities issues arising from this report.		

<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	x

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	
Supporting the Workforce	
Promoting open communications	x

## 1.0 Introduction and Background

- 1.1 Under the terms of the Council's petitions scheme, members of the public may present petitions at ordinary meetings of Council; and if a petition has over 25, but less than 650, signatories, it will be referred to Cabinet or an appropriate committee without debate for report to Council within three ordinary meetings.

## 2.0 The Current Situation

- 2.1 A petition organised by Mr Allan Murray has been validly signed by 59 persons. The petition prayer reads:

"From residents of Minster/Monkton for a change in the route of No.9 bus that goes between Ramsgate and Canterbury to include Minster/Monkton on its route."

- 2.2 In addition to the 59 persons who validly signed the petition, 21 signatures were disallowed as they were deemed invalid in accordance with the Council's petition scheme
- 2.3 The petition organiser is entitled to present their petition to Council, and in accordance with the Council's petition scheme has three minutes to present the petition.
- 2.4 Mr Murray has informed the Council that he would like to accept the opportunity to present the petition.

## 3.0 Next Steps

- 3.1 Under the Council's petitions scheme, Council is required to refer the petition without debate to Cabinet for report back to Council.

Contact Officer:	Nick Hughes, Committee Services Manager (7208)
Reporting to:	Tim Howes, Director of Corporate Governance

### Annex List

<i>None</i>	<i>N/A</i>
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### Background Papers

<b>Title</b>	<b>Details of where to access copy</b>
<i>None</i>	<i>N/A</i>

### Corporate Consultation

<b>Finance</b>	Matt Sanham, Interim Head of Financial Services
<b>Legal</b>	Ciara Feeney, Head of Legal Services & Deputy Monitoring Officer

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**PETITION REGARDING CONDEMNATION OF RACISM,  
XENOPHOBIA AND HATE CRIMES ACROSS THANET**

Meeting – 13 October 2016

Report Author                                **Nick Hughes, Committee Services Manager**

Portfolio Holder                            **Councillor Crow-Brown, Cabinet Member for Corporate Governance Services**

Status    **For recommendation**

Classification:                                **Unrestricted**

Key Decision                                  **No**

Ward:    **All Wards**

**Executive Summary:**

A petition containing 340 valid signatures has been received by the Council asking the council to state their opposition to racism, xenophobia and hate crimes.

This report sets out how the Council deals with petitions of this size; it explains how the petition organiser can present the petition to the meeting and sets out the next steps as to how the Council will deal with the petition.

**Recommendation(s):**

Under the Council’s petitions scheme, Council is required to refer the petition to Cabinet without debate for report back to Council.

**CORPORATE IMPLICATIONS**

<b>Financial and Value for Money</b>	There are no identified financial implications from this report.
<b>Legal</b>	This matter is dealt with under the Council’s scheme for dealing with petitions from the public which is contained within the constitution.
<b>Corporate</b>	In accordance with the Council’s petition scheme if a petition has over 25, but less than 650, signatories, it will be referred to Cabinet or an appropriate committee without debate for report to Council within three ordinary meetings.
<b>Equalities Act 2010 &amp; Public Sector Equality Duty</b>	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.  Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	x
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	x
	Foster good relations between people who share a protected characteristic and people who do not share it.	x
There are no specific equity and equalities issues arising from this report.		

<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	x

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	
Supporting the Workforce	
Promoting open communications	x

## 1.0 Introduction and Background

- 1.1 Under the terms of the Council's petitions scheme, members of the public may present petitions at ordinary meetings of Council; and if a petition has over 25, but less than 650, signatories, it will be referred to Cabinet or an appropriate committee without debate for report to Council within three ordinary meetings.

## 2.0 The Current Situation

- 2.1 A petition organised by Mr David Wright has been validly signed by 340 persons. The petition prayer reads:

"We call upon Thanet District Council to "stand against hate" – to state their opposition to racism, xenophobia and hate-crimes; ensure resources and support are available to do this and to affirm their continuing intent for unity, compassion and understanding."

- 2.2 The petition organiser is entitled to present their petition to Council, and in accordance with the Council's petition scheme has three minutes to present the petition. Whether Mr Wright will be taking up the opportunity to present the petition, will be confirmed by the Chairman at the meeting.

## 3.0 Next Steps

- 3.1 Under the Council's petitions scheme, Council is required to refer the petition to Cabinet without debate for report back to Council.

Contact Officer:	Nick Hughes, Committee Services Manager (7208)
Reporting to:	Tim Howes, Director of Corporate Governance

## Annex List

None	N/A
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## Background Papers

<b>Title</b>	<b>Details of where to access copy</b>
<i>None</i>	<i>N/A</i>

## Corporate Consultation

<b>Finance</b>	Matt Sanham, Interim Head of Financial Services
<b>Legal</b>	Tim Howes, Director of Corporate Governance and Monitoring Officer

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**LEADER'S REPORT TO COUNCIL**

**Meeting – 13 October 2016**

Report Author                      **Nick Hughes, Committee Services Manager**

Portfolio Holder                    **The Leader**

Status                                 **For Information**

Classification:                      **Unrestricted**

Key Decision                         **No**

**Executive Summary:**

To receive a report from the Leader in accordance with Council Procedure Rule 2.4

**Recommendation(s):**

None - This report is for information only.

**CORPORATE IMPLICATIONS**

<b>Financial and Value for Money</b>	There are no financial implications arising from this report.	
<b>Legal</b>	There are no legal implications arising from this report.	
<b>Corporate</b>	The Leaders report helps to contribute to the promoting open communications corporate value.	
<b>Equalities Act 2010 &amp; Public Sector Equality Duty</b>	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.	
	Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.	
	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	x
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	x
Foster good relations between people who share a protected characteristic and people who do not share it.	x	
The Council demonstrates due regard to the aims of the Public Sector		

	Equality Duty when conducting its business, this due regard is mirrored in the leaders report which provides an update on key issues arising since the last meeting of Council.
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<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	
Supporting the Workforce	
Promoting open communications	x

## 1.0 Introduction and Background

### 1.1 Council Procedure Rule 2.4 provides that:

The Leader of the Council will make available in writing the content of his oral report to opposition group leaders no later than the Saturday before the meeting. The speech will not exceed ten minutes on key issues arising since the last meeting of Council.

The Leaders of any other political group may comment on the Leader's report. The comments of the Leaders of the other political groups shall be limited each to five minutes. The other Group Leaders will comment in an order determined by the number of Councillors within those political groups, with the largest group commenting first, and so on.

The Leader has a right of reply to each Group Leader limited to two minutes, in hierarchical order, to any comments made on his/her report.

The Leader of the Council, the Leader of the Opposition and the Leader of any other political group may appoint substitutes to speak on their behalf.

No motions may be moved nor resolutions passed under this item.

Contact Officer:	Nicholas Hughes, Committee Services Manager, (7208)
Reporting to:	Tim Howes, Director of Corporate Governance and Monitoring Officer

### Annex List

None	N/A
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### Background Papers

Title	Details of where to access copy
None	N/A

### Corporate Consultation

<b>Finance</b>	Matt Sanham, Interim Head of Financial Services
<b>Legal</b>	Ciara Feeney, Head of Legal Services & Deputy Monitoring Officer

**OVERVIEW & SCRUTINY PANEL CHAIRMAN'S REPORT TO COUNCIL**

Council	<b>13 October 2016</b>
Report Author	<b>Cllr D. Saunders, Chairman of the Overview &amp; Scrutiny Panel</b>
Portfolio Holder	<b>Cllr Crow-Brown, Cabinet Member for Corporate Governance</b>
Status	<b>For Information</b>
Classification:	<b>Unrestricted</b>
Key Decision	<b>No</b>
Reasons for Key	<b>N/A</b>
Previously Considered by	<b>N/A</b>
Ward:	<b>Thanet Wide</b>

**Executive Summary:**

The purpose of the report is to highlight some of the key activities that have planned for by the Overview & Scrutiny Panel during the course of this municipal year 2016/17 and progress to date regarding implementation of the Panel's work programme.

**Recommendation(s):**

1. Members are invited to discuss and note the report.

**CORPORATE IMPLICATIONS**

<b>Financial and Value for Money</b>	There are no financial implications arising from this report. The report provides a briefing to Full Council about the current work activities of the Overview & Scrutiny Panel.
<b>Legal</b>	There are no significant legal implications arising directly from this report. A presentation of the OSP Chairman's report to Full Council enables the Chairman to fulfil their duty as is required by the Council's Constitution.
<b>Corporate</b>	There are no corporate risks associated with this report. The report enables discussion by Members at Full Council on the activities of the Overview & Scrutiny Panel.  The debate on the OSP Chairman's report contributes to open communication across the council. A strong scrutiny function contributes to an open democratic process for decision making and delivery of value for money services as council decisions are interrogated by Members before they are implemented. In instances where such decisions are interrogated after implementation, there will be lessons to learn for future policy development.
<b>Equalities Act</b>	Members are reminded of the requirement, under the Public Sector

<b>2010 &amp; Public Sector Equality Duty</b>	Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.	
	Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.	
	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	
Foster good relations between people who share a protected characteristic and people who do not share it.		
No implications arise directly but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.		
It is important to be aware of the Council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration had been given to the equalities impact that may be brought upon communities by the decisions made by Council.		

<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	✓

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	✓

## 1.0 Introduction and Background

- 1.1 At each ordinary Full Council meeting, the Chairman of the Overview and Scrutiny Panel presents a report on the work undertaken by the Overview and Scrutiny Panel since the last Council meeting.
- 1.2 Such a report will be subject to comment or debate by Members. This is in accordance with Council Procedure Rule 15.1 of Part 4 of the Thanet District Council Constitution.
- 1.3 The report will therefore provide the basis for debate by Members on on-going scrutiny activities and hopefully lead to sharing of views and ideas to enhance the scrutiny function at Thanet District Council.
- 1.4 The Panel set up its work programme for 2016/7 at the May meeting and agreed to conduct most of its work through the reconstituted sub committees.

## 2.0 Community Safety Partnership Working Party

- 2.1 Members agreed a work programme for the year at their meeting on 30 June 2016. The working party will this year focus on the following scrutiny terms of reference:
1. Reducing Re-offending;
  2. Safeguarding our most vulnerable people;
  3. Community Confidence and Agency Collaboration.
- 2.2 They identified some key topics from which they will pick one to focus their scrutiny review efforts on at a time. These include:
1. Sexual offence support available locally – rape crisis centres in Thanet/reasons for the low proportion of rape allegations that result in conviction in the Thanet area;
  2. Rough Sleeping – issues around homelessness and antisocial behaviour;
  3. Neighbourhood engagement meetings;
  4. Changes to antisocial behaviour legislation – public space protection orders;
  5. Littering and dog fouling – enforcement and proportionality of enforcement.
- 2.3 In order to fully explore the issues related to the above key topics, the working party will invite external agency representatives to their meetings to provide support to Member debates. The group will be meeting again on 03 October 2016.

### **3.0 Corporate Performance Review Working Party**

- 3.1 The working party met on 18 July and 23 August. I attended the August meeting where Members received quarterly performance reports from Thanet District Council, East Kent Services (including EKHR) and East Kent Housing. From the reports received, Members were concerned about the residents' annual survey results which indicated some dissatisfaction with the street cleaning services. Officers were working to address the issue by bringing in more mechanical sweepers.
- 3.2 East Kent Services reported council tax and business rates collection that was less than at this stage in the previous year. However officers assured Members that there was no need for concern as this performance will improve soon. Officers were concerned about the number of verbal and in one instance physical attacks on staff at the Gateway by some customers. In addition to reporting such incidents to the Police, management was developing a guide for staff on how best to manage such situations in future.
- 3.3 The new Chief Executive acknowledged that there were a number of challenges that East Kent Housing was facing this financial year. These included the following:
1. Voids Performance;
  2. The need to address asset management under the Capital Programme;
  3. Performance is under target for heating repairs for housing stock in Thanet.
- 3.4 EK Housing management was working on initiatives to resolve the above issues. These included the recruitment of senior staff (at director level with a focus on property) and middle managers. They were also negotiating with the Health & Safety Executive (HSE) to see whether it is possible to hold an annual licence for Trove Court and Kennedy House, which would allow them to carry out the work without the fourteen day notification to the HSE each time asbestos material was discovered in the any of the properties.

3.5 A review of the asset management by a leading consultancy, HQN is currently underway and recommendations from that exercise would be reported to EK Housing management and the implementation of these recommendations would be monitored by the EK Housing Board. The next meeting of the working party is on 22 November.

**4.0 Electoral Registration Process Review Working Party**

4.1 The working party met on 07 July. Members agreed a work programme that included receiving an officer report on ‘current process for increasing voter awareness, registration and participation in the electoral process.’

4.2 Members would like to explore and thereafter propose to the Electoral Services Team ways to improve voter registration in the district. The next meeting is on 17 October.

**5.0 Call-In of Cabinet Decisions**

5.1 There were call-ins made by the Panel since the last Council meeting.

**6.0 Cabinet Presentations at OSP Meetings**

6.1 Councillor Stammer–Schmertzing, Cabinet Member for Regeneration and Enterprise Services attended the August Panel meeting and shared the Cabinet’s view on a new economic development strategy for Thanet. He was assisted by a consultant from SQW and council officers who are currently working with the council to design that new strategy.

6.2 I found this presentation to be informative and useful and I believe other members of the Panel found it useful too. For example the Panel was advised by the portfolio holder that the council was working with other partners like KCC to ensure investment was made in key infrastructure like the Thanet Parkway.

6.3 TDC were working with East Kent Spatial Development Company and East Kent Opportunities to deliver new employment floor space at Manston Park and that the council did and would continue to support businesses that decided to invest in the district (including providing one to one support to relocate) to deliver new employment floor space in the district and to deliver 5,000 jobs.

6.4 The Panel encouraged Cabinet to come up with initiatives to recover the lost businesses to the district as a result of some blue chip companies and the passenger ferry that no longer trade from Thanet. They said that Council should actively make this issue a key part of the new vision for the district.

**7.0 Overview and Scrutiny Panel Recommendations to Cabinet Implementation Monitoring**

7.1 Currently there are no Panel recommendations under consideration or being implemented by Cabinet.

Contact Officer:	Charles Hungwe, Senior Democratic Services Officer, Ext 7186
Reporting to:	Nick Hughes, Committee Services Manager, Ext 7108

**Annex List**

None	N/A
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## Background Papers

Title	Details of where to access copy
None	N/A

## Corporate Consultation

<b>Finance</b>	Nikki Walker, Finance Manager (HRA, Capital, Ext Funding, Policy & Performance)
<b>Legal</b>	Ciara Feeney, Head of Legal Services & Deputy Monitoring Officer

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**ANNUAL TREASURY MANAGEMENT REVIEW 2015/16**

Meeting	<b>Council – 13 October 2016</b>
Report Author	<b>Tim Willis, Director of Corporate Resources &amp; Section 151 Officer</b>
Portfolio Holder	<b>Councillor John Townend, Portfolio Holder for Financial Services and Estates</b>
Status	<b>For Decision</b>
Classification:	<b>Unrestricted</b>
Key Decision	<b>No</b>
Reasons for Key (if appropriate)	<b>N/A</b>
<i>Previously Considered by</i>	<b>Governance and Audit Committee – 22 June 2016 Cabinet – 28 July 2016</b>
Ward:	<b>N/A</b>

**Executive Summary:**

This report summarises treasury management activity and prudential/ treasury indicators for 2015/16.

**Recommendation(s):**

That Council:

- Notes the actual 2015/16 prudential and treasury indicators in this report.
- Approves the annual treasury management report for 2015/16.

**CORPORATE IMPLICATIONS**

<b>Financial and Value for Money</b>	The financial implications are highlighted in this report.
<b>Legal</b>	Section 151 of the 1972 Local Government Act requires a suitably qualified named officer to keep control of the Council's finances. For this Council, this is the Director of Corporate Resources, Tim Willis, and this report is helping to carry out that function.
<b>Corporate</b>	Failure to undertake this process will impact on the Council's compliance with the Treasury Management Code of Practice.

<b>Equalities Act 2010 &amp; Public Sector Equality Duty</b>	<p>There are no equity and equalities implications arising directly from this report, but the Council needs to retain a strong focus and understanding on issues of diversity amongst the local community and ensure service delivery matches these.</p> <p>It is important to be aware of the Council's responsibility under the Public Sector Equality Duty (PSED) and show evidence that due consideration had been given to the equalities impact that may be brought upon communities by the decisions made by Council.</p>
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<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	

## 1.0 Introduction and Background

- 1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2015/16. This report meets the requirements of both the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 During 2015/16 the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year (Council 05/02/2015 and amended by Council 23/04/2015)
  - a mid-year treasury update report (Council 25/02/2016)
  - an annual review following the end of the year describing the activity compared to the strategy (this report)
- 1.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 1.4 This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Governance and Audit Committee before they were reported to the full Council. Member training on treasury management issues was undertaken during the year on 21/09/2015 in order to support members' scrutiny role. The Council's external treasury management advisor is Capita Asset Services (Capita).
- 1.5 The Council's 2015/16 accounts have not yet been audited and hence the figures in this report are subject to change.

## **2.0 Capita's Review of the Economy and Interest Rates (issued by Capita in April 2016)**

- 2.1 Market expectations for the first increase in Bank Rate moved considerably during 2015/16, with expectations of an increase starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations of an increase had moved to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.
- 2.2 These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in 2015/16 has been disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.
- 2.3 The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central bank rates have been pushed back. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.
- 2.4 The European Central Bank (ECB) commenced a full blown quantitative easing (QE) programme of purchases of Eurozone government and other bonds starting in March at €60bn per month. This put downward pressure on Eurozone bond yields. There was a further increase in this programme of QE in December 2015.
- 2.5 As for America, the economy has continued to grow healthily on the back of resilient consumer demand. The first increase in the central bank rate occurred in December 2015 since when there has been a return to caution as to the speed of further increases due to concerns around the risks to world growth.
- 2.6 The UK elected a majority Conservative Government in May 2015, who promised a referendum on the UK remaining part of the EU. The government maintained its tight fiscal policy stance but the more recent downturn in expectations for economic growth has made it more difficult to return the public sector net borrowing to a balanced annual position within the period of this parliament.

### 3.0 Overall Treasury Position as at 31 March 2016

3.1 At the beginning and the end of 2015/16 the Council's treasury (excluding borrowing by private finance initiatives (PFI) and finance leases) position was as follows:

	31 March 2015 Principal £000	Rate/ Return	Average Life yrs	31 March 2016 Principal £000	Rate/ Return	Average Life yrs
General Fund (GF) debt	9,790	3.18%	13.8	9,179	3.26%	13.8
Housing Revenue Account (HRA) debt	20,869	3.98%	10.1	20,041	4.03%	9.7
<b>Total debt</b>	<b>30,659</b>	<b>3.77%</b>	<b>11.3</b>	<b>29,220</b>	<b>3.78%</b>	<b>11.0</b>
<b>GF CFR</b>	22,390			27,067		
<b>HRA CFR</b>	20,874			20,241		
<b>Total CFR</b>	<b>43,264</b>			<b>47,308</b>		
<b>Over / (under) borrowing</b>	<b>(12,605)</b>			<b>(18,088)</b>		
<b>Total investments</b>	<b>29,435</b>	<b>0.53%</b>		<b>28,612</b>	<b>0.55%</b>	
<b>Net debt</b>	<b>1,224</b>			<b>608</b>		

### 4.0 The Strategy for 2015/16

- 4.1 The expectation for interest rates within the treasury management strategy for 2015/16 anticipated low but rising Bank Rate, (starting in quarter 2 of 2016), and gradual rises in medium and longer term fixed borrowing rates during 2016/17. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 4.2 In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.
- 4.3 The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back.
- 4.4 **Change in strategy during the year** – the strategy adopted in the original Treasury Management Strategy Report for 2015/16 approved by the Council on 05/02/15 was

revised by the Council on 23/04/15 to remove the Lowest Common Denominator assessment in the minimum credit ratings criteria (in accordance with advice from Capita).

## 5.0 The Borrowing Requirement and Debt

5.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

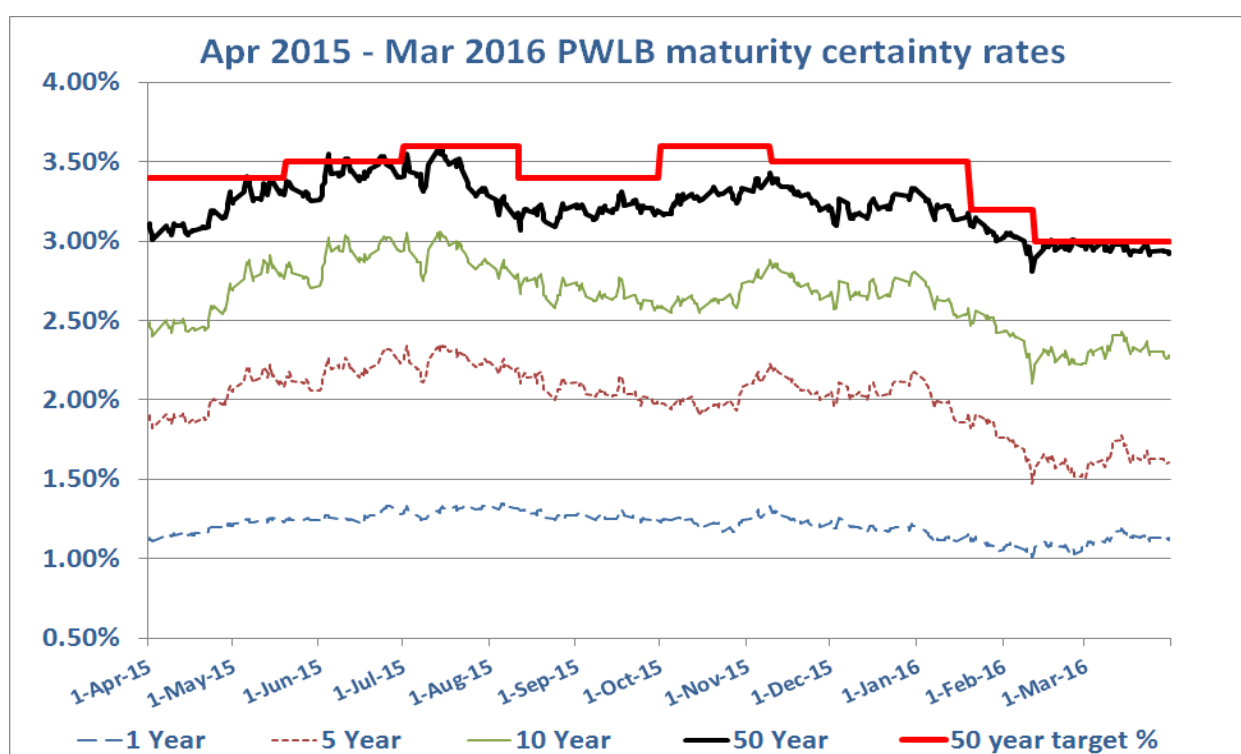
£000	31 March 2015 Actual	31 March 2016 Budget	31 March 2016 Actual
CFR GF	22,390	26,470	27,067
CFR HRA	20,874	23,607	20,241
Total CFR	43,264	50,077	47,308

The 2015/16 CFR HRA Budget included £3,561k for the New Build Programme, which is now due to start in 2016/17.

The 2015/16 CFR GF Actual reflects a Minimum Revenue Provision saving of £247k against Budget, with the remaining difference due to increased capital expenditure.

## 6.0 Borrowing Rates in 2015/16

6.1 **Public Works Loan Board (PWLB) certainty maturity borrowing rates** - the graph below shows how PWLB certainty rates have fallen to historically very low levels during the year.



## 7.0 Borrowing Outturn for 2015/16

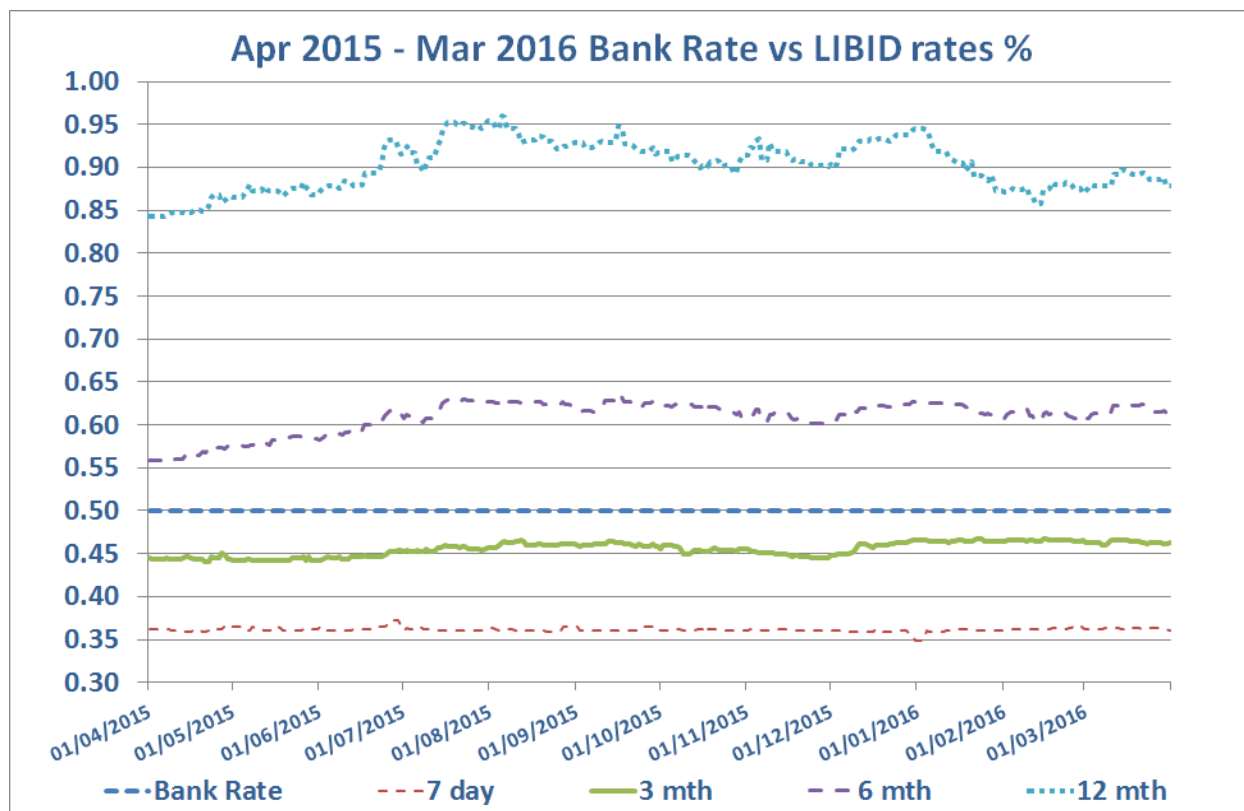
- 7.1 **Borrowing** – Due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year.
- 7.2 **Rescheduling** – No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.
- 7.3 **Repayments** – The Council repaid £1,439k of maturing debt using investment balances.

Lender	Principal £000	Interest Rate	Repayment Date
PWLB	43	3.08%	23/04/15
PWLB	960	2.75%	03/05/15
PWLB	50	2.48%	27/05/15
PWLB	146	1.97%	27/05/15
PWLB	43	3.08%	23/10/15
PWLB	50	2.48%	27/11/15
PWLB	147	1.97%	27/11/15
<b>Total £000</b>	<b>1,439</b>		

- 7.4 **Summary of debt transactions** – The above repayment of the debt portfolio resulted in an increase in the average interest rate of 0.01%, representing an interest cost of £3k on the weighted average of the 2015/16 debt principal.



## 8.0 Investment Rates in 2015/16



8.1 Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for seven years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2016 but then moved back to around quarter 2 2018 by the end of the year. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme and due to the continuing weak expectations as to when Bank Rate would start rising.

## 9.0 Investment Outturn for 2015/16

9.1 **Investment Policy** – the Council’s investment policy is governed by Department for Communities and Local Government (CLG) guidance, which has been implemented in the annual investment strategy approved by the Council on 05/02/2015 (amended by Council 23/04/2015). This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc).

9.2 The investment activity during the year conformed to the approved strategy, apart from the money limit with the Lloyds Banking Group (Lloyds) for the 11 day period from 15 May 2015 to 26 May 2015.

9.3 With effect from 15 May 2015 Capita changed its view on Lloyds, no longer regarding it as part nationalised. Given the credit rating of Lloyds, this meant that the Council’s money limit with Lloyds reduced from £7m to £5m. The Council was able to reduce its deposits with Lloyds to under £5m on 26 May 2015, upon maturity of a £2m fixed term deposit with Lloyds.

- 9.4 The Council had no liquidity difficulties during the year.
- 9.5 **Investments held by the Council** - the Council maintained an average balance of £40,203k of internally managed funds. The internally managed funds earned an average rate of return of 0.55%. The comparable performance indicator is the average 7-day London Interbank Bid Rate (LIBID) rate, which was 0.36%. This compares with a budget assumption of £20,000k investment balances earning an average rate of 0.75%.
- 9.6 **Investments held by fund managers** – the Council does not use external fund managers.

## 10.0 Investment risk benchmarking

- 10.1 The following investment benchmarks were set in the Council's 2015/16 annual treasury strategy:
- 10.2 **Security** - The Council's maximum security risk benchmark for the current portfolio, when compared to historic default tables, is:
- 0.05% historic risk of default when compared to the whole portfolio.
- 10.3 **Liquidity** – in respect of this area the Council seeks to maintain:
- Bank overdraft - £0.5m
  - Liquid short term deposits of at least £10m available with a week's notice.
  - Weighted average life benchmark is expected to be 0.5 years, with a maximum of 1.0 year.
- 10.4 **Yield** - local measures of yield benchmarks are:
- Investments – internal returns above the 7 day LIBID rate
- 10.5 The Council kept to the above benchmarks during 2015/16.

## 11.0 Options

- 11.1 The recommended option (to ensure regulatory compliance as set out in section 1 of this report) is that Council
- Notes the actual 2015/16 prudential and treasury indicators in this report.
  - Approves the annual treasury management report for 2015/16.
- 11.2 Alternatively, Council may decide not to do this.

## 12.0 Disclaimer

- 12.1 This report is a technical document focussing on public sector investments and borrowings and, as such, readers should not use the information contained within the report to inform personal investment or borrowing decisions. Neither Thanet District Council nor any of its officers or employees makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein (such information being subject to change without notice) and shall not be in any way responsible or liable for the contents hereof and no reliance should be placed on the accuracy, fairness or completeness of the information contained in this document. Any opinions, forecasts or estimates herein constitute a judgement and

there can be no assurance that they will be consistent with future results or events. No person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise in connection therewith.

Contact Officer:	Tim Willis, Director of Corporate Resources and Section 151 Officer, extn 7617
Reporting to:	Madeline Homer, Chief Executive

### **Annex List**

Annex 1	Prudential and Treasury Indicators
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### **Corporate Consultation Undertaken**

Finance	Tim Willis, Director of Corporate Resources
Legal	Tim Howes, Director of Corporate Governance & Monitoring Officer
Communications	Hannah Thorpe, Head of Communications

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### Annex 1: Prudential and Treasury Indicators

1. During 2015/16, the Council complied with its legislative and regulatory requirements except for the money limit with the Lloyds Banking Group for the 11 day period from 15 May 2015 to 26 May 2015 as explained in section 9 of the main report. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2014/15 Actual £000	2015/16 Budget £000	2015/16 Actual £000
Capital expenditure			
• GF	8,184	4,229	12,720
• HRA	7,149	10,944	5,030
• Total	15,333	15,173	17,750
Capital Financing Requirement:			
• GF	22,390	26,470	27,067
• HRA	20,874	23,607	20,241
• Total	43,264	50,077	47,308
External debt	30,659	33,814	29,220
Investments			
• Longer than 1 year	0	0	0
• Under 1 year	29,435	20,000	28,612
• Total	29,435	20,000	28,612
Net borrowing	1,224	13,814	608

**HRA:** The 2015/16 capital expenditure budget included £4,194k for the New Build Programme (which was due to increase the Capital Financing Requirement by £3,561k), which is now due to start in 2016/17.

**GF:** Actual capital expenditure reflects unused 2014/15 budget of £13,184k carried forward to 2015/16.

2. **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2015/16) plus the estimates of any additional capital financing requirement for the current (2016/17) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2015/16.
3. **The authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2015/16 the Council has maintained gross borrowing within its authorised limit.

4. **The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.
5. **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

£000	2015/16
Authorised limit	62,000
Maximum gross borrowing position	30,659
Operational boundary	54,000
Average gross borrowing position	29,495
Financing costs as a proportion of net revenue stream - GF	5.6%
Financing costs as a proportion of net revenue stream - HRA	5.4%

	31 March 2015 Principal	Rate/ Return	Average Life yrs	31 March 2016 Principal	Rate/ Return	Average Life yrs
Fixed rate funding:						
-PWLB	26,159	3.69%	13.2	24,720	3.71%	12.9
-Market	4,500	4.19%	0.5	4,500	4.19%	0.5
Variable rate funding:						
-PWLB	0			0		
-Market	0			0		
<b>Total debt</b>	<b>30,659</b>	<b>3.77%</b>	<b>11.3</b>	<b>29,220</b>	<b>3.78%</b>	<b>11.0</b>
<b>CFR</b>	<b>43,264</b>			<b>47,308</b>		
<b>Over/ (under) borrowing</b>	<b>(12,605)</b>			<b>(18,088)</b>		
<b>Total investments</b>	<b>29,435</b>	<b>0.53%</b>		<b>28,612</b>	<b>0.55%</b>	
<b>Net debt</b>	<b>1,224</b>			<b>608</b>		

6. The maturity structure of the debt portfolio was as follows:

£000	31 March 2015 actual	2015/16 upper limits	31 March 2016 actual
Under 1 year	5,940	14,610	4,980
1 year to under 2 years	480	14,610	480
2 years to under 5 years	6,239	14,610	6,239
5 years to under 10 years	7,367	16,071	6,975
10 years to under 20 years	2,787	14,610	6,626
20 years to under 30 years	4,926	14,610	1,000
30 years to under 40 years	1,920	14,610	1,920
40 years to under 50 years	1,000	14,610	1,000
50 years and above	0	14,610	0
Total debt	30,659		29,220

7. All investments at both the 2014/15 and 2015/16 year-ends were for under one year.

8. The exposure to fixed and variable rates was as follows:

	31 March 2015 Actual £000	2015/16 Limits £000	31 March 2016 Actual £000
Fixed rate	30,659 debt	62,000 debt	29,220 debt
	11,754 investments	45,000 investments	11,757 investments
Variable rate	0 debt	62,000 debt	0 debt
	17,681 investments	45,000 investments	16,855 investments

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**CHANGES TO COMMITTEES, PANELS AND BOARDS –  
2016/17**

**Council - 13 October 2016**

Report Author	<b>Committee Services Manager</b>
Portfolio Holder	<b>Councillor Derek Crow-Brown</b>
Status	<b>For Decision</b>
Classification:	<b>Unrestricted</b>
Key Decision	<b>No</b>

**Executive Summary:**

This report will outline the changes needed as a result of the election of Cllr Lynda Piper and Cllr Rusiecki and both joining the UKIP Group. It provides three options to amend the proportionality of the Council. The report gives Council the option of choosing one of these options and sets out the impact on the numbers of Councillors on each Committee. The report then goes on to set out the required nominations to match the changes made to committees.

**Recommendation(s):**

- 3.1 That Council agrees one of the proposals outlined at paragraphs 2.5 – 2.7 to achieve proportionality.
- 3.2 That Council agrees one of the proposals outlined at table 5 regarding the Joint Transportation Board to achieve proportionality.
- 5.1 To note the corresponding group nominations to Committees, Panels and Boards for the remainder of 2016/17 as per paragraph 3.1 of this report (The names of those Councillors so nominated will be presented at the meeting if needed).

**CORPORATE IMPLICATIONS**

<b>Financial and Value for Money</b>	There are no direct financial implications
<b>Legal</b>	The composition and allocation of membership of committees has been based on the relevant legislative requirements.
<b>Corporate</b>	There are no direct Corporate Implications
<b>Equalities Act 2010 &amp; Public Sector Equality Duty</b>	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.  Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	x
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	x
	Foster good relations between people who share a protected characteristic and people who do not share it.	x

<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	
Supporting the Workforce	
Promoting open communications	

## 1.0 Introduction

- 1.1 This report will outline the changes needed as a result of the election of Cllr Lynda Piper and Cllr Rusiecki and both joining the UKIP Group.

## 2.0 Political Balance

- 2.1 As mentioned above Cllr Lynda Piper and Cllr Rusiecki have both joined the UKIP Group. The changes to political balance as a result of this are shown in the table below:

Political Group	Prior to changes	After changes
UKIP	27	<b><u>29</u></b>
Conservative	18	18
Labour	5	5
Democratic Independent Group	2	2
Independent	2	2

- 2.2 The Local Government and Housing Act 1989 requires the Council to allocate seats on committees to political Groups in accordance with the size of each group on the Council as a whole and in accordance with the following principles which should be observed as far as is reasonably practicable:

- a) That not all seats on the same committee are allocated to the same political group;
- b) That the majority of the seats on a committee are allocated to a particular political group if the number of persons belonging to that group is a majority of the Council's membership;
- c) That, subject to a) and b) above, the number of seats on committees allocated to each political group bears the same proportion of the total of all the seats on committees;

d) That, subject to a), b) and c) above, the number of seats on a committee allocated to each political group bears the same proportion to the number of all seats on that committee.

2.3 For the purposes of political balance a Group is required to have at least two members and to have been formally constituted as a political group before the meeting.

2.4 Democratic Services have contacted the five group Leaders and a consensus on a way to achieve proportionality has not been achieved and the options for achieving proportionality are outlined at paragraphs 2.5 to 2.7 below.

## **2.5 Option 1**

2.5.1 That a seat is added to the Planning Committee and that seat is given to the UKIP group. That a seat is added to the Licensing Board and that seat is given to the UKIP group. That a seat is added to the Overview and Scrutiny Panel and that seat is given to the UKIP group. That a seat is added to the Governance and Audit Committee and that seat is given to the UKIP group. That a seat is added to the General Purposes Committee and that seat is given to the UKIP group. That a seat is added to the Boundary and Electoral Arrangements Working Party and that seat is given to the UKIP group. That a seat is added to the Constitutional Review Working Party and that seat is given to the UKIP group.

## **2.6 Option 2**

2.6.1 That a seat is added to the Planning Committee and that seat is given to the UKIP group. That a seat is added to the Licensing Board and that seat is given to the UKIP group. That a seat is added to the Overview and Scrutiny Panel and that seat is given to the UKIP group. That a seat is added to the Governance and Audit Committee and that seat is given to the UKIP group. That a seat is added to the General Purposes Committee and that seat is given to the UKIP group. That a seat is added to the Boundary and Electoral Arrangements Working Party and that seat is given to the UKIP group. That a seat is added to the Constitutional Review Working Party and that seat is given to the UKIP group. That a seat on the Planning Committee is removed from the Independent Group and given to the Democratic Independent Group. That a seat on the Boundary and Electoral Arrangements Working Party is removed from the Democratic Independent Group and given to the Independent Group.

## **2.7 Option 3**

2.7.1 That a seat is added to the Planning Committee and that seat is given to the UKIP group. That a seat is added to the Licensing Board and that seat is given to the UKIP group. That a seat is added to the Overview and Scrutiny Panel and that seat is given to the UKIP group. That a seat is added to the Governance and Audit Committee and that seat is given to the UKIP group. That a seat is added to the General Purposes Committee and that seat is given to the UKIP group. That a seat is added to the Boundary and Electoral Arrangements Working Party and that seat is given to the UKIP group. That a seat is added to the Constitutional Review Working Party and that seat is given to the UKIP group. That a seat on the Overview and Scrutiny Panel is removed from the Independent Group and given to the Democratic Independent Group. That a seat on the Boundary and Electoral Arrangements Working Party is removed from the Democratic Independent Group and given to the Independent Group.

## 2.7 Option 4

2.7.1 That another solution that achieves proportionality is agreed. Note that if an alternative proposal is developed during the meeting, compliance with the proportionality rules would need to be verified by officers.

2.8 The table below show the change to numbers serving on Committees as a result of these proposals:

<b>Committees</b>	<b>Total</b>	<b>UKIP Group</b>	<b>Conservative Group</b>	<b>Labour Group</b>	<b>Democratic Independent Group</b>	<b>Independent Group</b>
<b>Option 1</b>						
Planning Committee	15	8	5	1	0	1
Licensing Board	15	8	6	1	0	0
Overview and Scrutiny Panel	15	8	5	1	0	1
Gov. and Audit	15	8	5	1	0	1
General Purposes	11	6	3	1	1	0
B&EA Working Party	9	5	2	1	1	0
Constitutional Review Working Party	7	4	1	1	1	0
<b>Totals</b>	<b>87</b>	<b>47</b>	<b>27</b>	<b>7</b>	<b>3</b>	<b>3</b>

<b>Committees</b>	<b>Total</b>	<b>UKIP Group</b>	<b>Conservative Group</b>	<b>Labour Group</b>	<b>Democratic Independent Group</b>	<b>Independent Group</b>
<b>Option 2</b>						
Planning Committee	15	8	5	1	1	0
Licensing Board	15	8	6	1	0	0
Overview and Scrutiny Panel	15	8	5	1	0	1
Gov. and Audit	15	8	5	1	0	1
General Purposes	11	6	3	1	1	0
B&EA Working Party	9	5	2	1	0	1
Constitutional Review Working Party	7	4	1	1	1	0
<b>Totals</b>	<b>87</b>	<b>47</b>	<b>27</b>	<b>7</b>	<b>3</b>	<b>3</b>

<b>Committees</b>	<b>Total</b>	<b>UKIP Group</b>	<b>Conservative Group</b>	<b>Labour Group</b>	<b>Democratic Independent Group</b>	<b>Independent Group</b>
<b>Option 3</b>						
Planning Committee	15	8	5	1	0	1
Licensing Board	15	8	6	1	0	0
Overview and Scrutiny Panel	15	8	5	1	1	0
Gov. and Audit	15	8	5	1	0	1
General Purposes	11	6	3	1	1	0
B&EA Working Party	9	5	2	1	0	1
Constitutional Review Working Party	7	4	1	1	1	0
<b>Totals</b>	<b>87</b>	<b>47</b>	<b>27</b>	<b>7</b>	<b>3</b>	<b>3</b>

2.9 The overall political balance calculations for the proposals are shown at Annexes 1-3 respectively.

2.10 The Joint Transportation Board consists of eight Councillors from Thanet District Council and the eight Councillors from Kent County Council that represent County wards within Thanet. In addition, although proportionality applies to the Joint Transportation Board, the Council has also agreed that there be one Parish representative serving on the Board. Under section 15 (5) of Part III and schedule 1 of the Local Government Housing Act 1989 proportionality applies to the eight seats appointed by Thanet District Council on the Joint Transportation Board but these seats do not count towards the total number of seats by which overall proportionality is calculated.

2.11 As a result of the changes to the political balance of the Council the UKIP group also need a majority on the Joint Transportation Board, as a result of this one of the two options outlined below in table 5 needs to be chosen to maintain proportionality.

<b>Table 5</b>	TDC Members	UKIP	Conservative	Labour	Democratic Independent Group	Independent Group	Parish/Town Council
<b>Option 1</b>							
Joint Transportation Board	8	5	2	1	0	0	1
<b>Table 5</b>	TDC Members	UKIP	Conservative	Labour	Democratic Independent Group	Independent Group	Parish/Town Council
<b>Option 1</b>							
Joint Transportation Board	8	5	2	0	1	0	1

### 3.0 Recommendation

- 3.1 That Council agrees one of the proposals outlined at paragraphs 2.5 – 2.7 to achieve proportionality.
- 3.2 That Council agrees one of the proposals outlined at table 5 regarding the Joint Transportation Board to achieve proportionality.

### 4.0 Nominations of Members to serve on Committees

- 4.1 Members are reminded that Section 16 of the Local Government and Housing Act 1989 states that where the Council has determined the allocation to different groups of the seats to which the Act applies, it shall be the duty of the authority to give effect to a Group's wishes about who is to be appointed to the seats that they have been allocated.
- 4.2 Therefore the corresponding amendments to group nominations as outlined below must also be made.

### 4.3 Option 1

- 4.3.1 The UKIP group will gain a seat on each of the following committees and so will need to make one new nomination to each: - the Planning Committee, Licensing Board, Overview and Scrutiny Panel, Governance and Audit Committee, General Purposes Committee, Boundary and Electoral Arrangements Working Party and Constitutional Review Working Party.
- 4.3.2 This can be summarised as:

Committee / Group	Current Position	New Position
<b>Planning Committee</b>		
UKIP	7 seats	8 seats (one new nomination required)
<b>Licensing Board</b>		
DIG	7 seats	8 seats (one new nomination required)
<b>Overview and Scrutiny Panel</b>		
UKIP	7 seats	8 seats (one new nomination required)
<b>Governance and Audit</b>		
UKIP	7 seats	8 seats (one new nomination required)
<b>General Purposes</b>		
UKIP	5 seats	6 seats (one new nomination required)
<b>BEAWP</b>		
UKIP	4 seats	5 seats (one new nomination required)
<b>CRWP</b>		
UKIP	3 seats	2 seats (one new nomination required)

### 4.4 Option 2

- 4.4.1 The UKIP group will gain a seat on each of the following committees and so will need to make one new nomination to each: - the Planning Committee, Licensing Board, Overview and Scrutiny Panel, Governance and Audit Committee, General Purposes Committee, Boundary and Electoral Arrangements Working Party and Constitutional Review Working Party. The Democratic Independent Group would lose a seat on the

Boundary and Electoral Arrangements Working Party and so would need to remove Cllr Elenor from that Working Party. The Democratic Independent Group would also gain a seat on the Planning Committee and so would need to make a new nomination to that Committee. In addition the Independent Group would lose a seat on the Planning Committee and so would need to remove Cllr Hayton from that Committee. The Independent Group would gain a seat on the Boundary and Electoral Arrangements Working Party and so would need to make a new nomination to that Working Party.

4.4.2 This can be summarised in the table below:

<b>Committee / Group</b>	<b>Current Position</b>	<b>New Position</b>
<b>Planning Committee</b>		
UKIP	7 seats	8 seats (one new nomination required)
DIG	No entitlement to a seat	New nomination required
Independent Group	Cllr Hayton	No entitlement to a seat
<b>Licensing Board</b>		
DIG	7 seats	8 seats (one new nomination required)
<b>Overview and Scrutiny Panel</b>		
UKIP	7 seats	8 seats (one new nomination required)
<b>Governance and Audit</b>		
UKIP	7 seats	8 seats (one new nomination required)
<b>General Purposes</b>		
UKIP	5 seats	6 seats (one new nomination required)
<b>BEAWP</b>		
UKIP	4 seats	5 seats (one new nomination required)
DIG	Cllr Elenor	No entitlement to a seat
Independent Group	No entitlement to a seat	New nomination required
<b>CRWP</b>		
UKIP	3 seats	2 seats (one new nomination required)

## 4.5 Option 3

4.5.1 The UKIP group will gain a seat on each of the following committees and so will need to make one new nomination to each: - the Planning Committee, Licensing Board, Overview and Scrutiny Panel, Governance and Audit Committee, General Purposes Committee, Boundary and Electoral Arrangements Working Party and Constitutional Review Working Party. The Democratic Independent Group would lose a seat on the Boundary and Electoral Arrangements Working Party and so would need to remove Cllr Elenor from that Working Party. The Democratic Independent Group would also gain a seat on the Overview and Scrutiny Panel and so would need to make a new nomination to that Panel. In addition the Independent Group would lose a seat on the Overview and Scrutiny Panel and so would need to remove Cllr Grove from that Committee. The Independent Group would gain a seat on the Boundary and Electoral Arrangements Working Party and so would need to make a new nomination to that Working Party.

4.5.2 This can be summarised in the table below:

<b>Committee / Group</b>	<b>Current Position</b>	<b>New Position</b>
<b>Planning Committee</b>		
UKIP	7 seats	8 seats (one new nomination required)
<b>Licensing Board</b>		
DIG	7 seats	8 seats (one new nomination required)
<b>Overview and Scrutiny Panel</b>		
UKIP	7 seats	8 seats (one new nomination required)
DIG	No entitlement to a seat	New nomination required
Independent Group	Cllr Grove	No entitlement to a seat
<b>Governance and Audit</b>		
UKIP	7 seats	8 seats (one new nomination required)
<b>General Purposes</b>		
UKIP	5 seats	6 seats (one new nomination required)
<b>BEAWP</b>		
UKIP	4 seats	5 seats (one new nomination required)
DIG	Cllr Elenor	No entitlement to a seat
Independent Group	No entitlement to a seat	New nomination required
<b>CRWP</b>		
UKIP	3 seats	2 seats (one new nomination required)

#### **4.6 Option 4**

4.6.1 If Council agrees its own solution to agree political proportionality then Council must note the relevant changes to group nominations to Committees, Panels and Boards that correspond with those changes.

#### **4.7 Joint Transportation Board**

4.7.1 In addition to the amendments to group nominations made above, additional amendments to group nominations would need to be made depending upon the option chosen regarding the Joint Transportation Board as outlined at paragraph 2.11. These nominations must match the option chosen. Therefore the corresponding amendments to group nominations as outlined below must also be made.

Either

##### **4.7.2 Joint Transportation Board Option 1**

That the UKIP group will gain a seat on the Joint Transportation Board and so will need to make a nomination to that Committee and the Democratic Independent Group loses a seat on the Joint Transportation Board and so will have to remove Cllr Ashbee from that Board.



4.7.3 This can be summarised in the table below:

<b>Joint Transportation Board</b>		
UKIP	4 seats	5 seats (one new nomination required)
DIG	Cllr Ashbee	No entitlement to seat

#### 4.7.4 Joint Transportation Board Option 2

That That the UKIP group will gain a seat on the Joint Transportation Board and so will need to make a nomination to that Committee and the Labour Group loses a seat on the Joint Transportation Board and so will have to remove Cllr Constantine from that Board.

4.7.5 This can be summarised in the table below:

<b>Joint Transportation Board</b>		
UKIP	4 seats	5 seats (one new nomination required)
Labour	Cllr Constantine	No entitlement to seat

## 5.0 Recommendation

5.1 To note the corresponding group nominations to Committees, Panels and Boards for the remainder of 2016/17 as per paragraph 3.1 of this report (The names of those Councillors so nominated will be presented at the meeting if needed).

Contact Officer:	Nick Hughes, Committee Services Manager
Reporting to:	Tim Howes, Director of Corporate Governance

### Annex List

<i>Annex 1</i>	Proportionality calculations for main committees covered by Local Government & Housing Act 1989 Option 1
<i>Annex 2</i>	Proportionality calculations for main committees covered by Local Government & Housing Act 1989 Option 2
<i>Annex 3</i>	Proportionality calculations for main committees covered by Local Government & Housing Act 1989 Option 3

### Background Papers

<b>Title</b>	<b>Details of where to access copy</b>
<i>None</i>	

### Corporate Consultation

<b>Finance</b>	Matthew Sanham , Interim Head of Finance
<b>Legal</b>	Tim Howes, Director of Corporate Governance

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Option 1	Members	UKIP	Conservative	Labour	Democratic Independent Group	Independent Group
<b>Overall Council</b>	56	29	18	5	2	2
Groups only	56	29	18	5	2	2
<b>Under s15 LGHA 1989 proportionality applies in full</b>						
	Members	UKIP	Conservative	Labour	Democratic Independent Group	Independent Group
<b>Planning Committee</b>	15	8	5	1	0	1
	100.00%	53.33%	33.33%	6.67%	0.00%	6.67%
<b>Licensing Board</b>	15	8	6	1	0	0
	100.00%	53.33%	40.00%	6.67%	0.00%	0.00%
<b>Overview and Scrutiny Committee</b>	15	8	5	1	0	1
	100.00%	53.33%	33.33%	6.67%	0.00%	6.67%
<b>Governance &amp; Audit</b>	15	8	5	1	0	1
	100.00%	50.00%	33.33%	6.67%	0.0%	6.67%
<b>General Purposes</b>	11	6	3	1	1	0
	100.00%	54.55%	27.27%	9.09%	9.09%	0.00%
<b>BEAWP</b>	9	5	2	1	1	0
	100.00%	55.56%	22.22%	11.11%	11.11%	0.00%
<b>CRWP</b>	7	4	1	1	1	0
	100.00%	57.14%	14.29%	14.29%	14.29%	0.00%
<b>Totals allocated</b>	<b>87</b>	<b>47</b>	<b>27</b>	<b>7</b>	<b>3</b>	<b>3</b>
	100.00%	54.02%	31.03%	8.05%	3.45%	3.45%
<b>Totals entitlement</b>	<b>80</b>	<b>45.05</b>	<b>27.96</b>	<b>7.77</b>	<b>3.11</b>	<b>3.11</b>
<b>Difference from entitlement no.</b>		1.95	-0.96	-0.77	-0.11	-0.11
<b>Difference from entitlement %</b>		2.2373	-1.1084	-0.8826	-0.01232	-0.01232

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<b>Option 2</b>	Members	UKIP	Conservative	Labour	Democratic Independent Group	Independent Group
<b>Overall Council</b>	56	29	18	5	2	2
Groups only	56	29	18	5	2	2
<b>Under s15 LGHA 1989 proportionality applies in full</b>						
	Members	UKIP	Conservative	Labour	Democratic Independent Group	Independent Group
<b>Planning Committee</b>	15	<b>8</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>0</b>
	100.00%	53.33%	33.33%	6.67%	6.67%	0.00%
<b>Licensing Board</b>	15	<b>8</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>0</b>
	100.00%	53.33%	40.00%	6.67%	0.00%	0.00%
<b>Overview and Scrutiny Committee</b>	15	<b>8</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>1</b>
	100.00%	53.33%	33.33%	6.67%	0.00%	6.67%
<b>Governance &amp; Audit</b>	15	<b>8</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>1</b>
	100.00%	50.00%	33.33%	6.67%	0.0%	6.67%
<b>General Purposes</b>	11	<b>6</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>0</b>
	100.00%	54.55%	27.27%	9.09%	9.09%	0.00%
<b>BEAWP</b>	9	<b>5</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>
	100.00%	55.56%	22.22%	11.11%	0.00%	11.11%
<b>CRWP</b>	7	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
	100.00%	57.14%	14.29%	14.29%	14.29%	0.00%
<b>Totals allocated</b>	<b>87</b>	<b>47</b>	<b>27</b>	<b>7</b>	<b>3</b>	<b>3</b>
	100.00%	54.02%	31.03%	8.05%	3.45%	3.45%
<b>Totals entitlement</b>	<b>80</b>	<b>45.05</b>	<b>27.96</b>	<b>7.77</b>	<b>3.11</b>	<b>3.11</b>
<b>Difference from entitlement no.</b>		1.95	-0.96	-0.77	-0.11	-0.11
<b>Difference from entitlement %</b>		2.2373	-1.1084	-0.8826	-0.01232	-0.01232

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<b>Option 3</b>	Members	UKIP	Conservative	Labour	Democratic Independent Group	Independent Group
<b>Overall Council</b>	56	29	18	5	2	2
Groups only	56	29	18	5	2	2
<b>Under s15 LGHA 1989 proportionality applies in full</b>						
	Members	UKIP	Conservative	Labour	Democratic Independent Group	Independent Group
<b>Planning Committee</b>	15	8	5	1	0	1
	100.00%	53.33%	33.33%	6.67%	0.00%	6.67%
<b>Licensing Board</b>	15	8	6	1	0	0
	100.00%	53.33%	40.00%	6.67%	0.00%	0.00%
<b>Overview and Scrutiny Committee</b>	15	8	5	1	1	0
	100.00%	53.33%	33.33%	6.67%	6.67%	0.00%
<b>Governance &amp; Audit</b>	15	8	5	1	0	1
	100.00%	50.00%	33.33%	6.67%	0.0%	6.67%
<b>General Purposes</b>	11	6	3	1	1	0
	100.00%	54.55%	27.27%	9.09%	9.09%	0.00%
<b>BEAWP</b>	9	5	2	1	0	1
	100.00%	55.56%	22.22%	11.11%	0.00%	11.11%
<b>CRWP</b>	7	4	1	1	1	0
	100.00%	57.14%	14.29%	14.29%	14.29%	0.00%
<b>Totals allocated</b>	<b>87</b>	<b>47</b>	<b>27</b>	<b>7</b>	<b>3</b>	<b>3</b>
	100.00%	54.02%	31.03%	8.05%	3.45%	3.45%
<b>Totals entitlement</b>	<b>80</b>	<b>45.05</b>	<b>27.96</b>	<b>7.77</b>	<b>3.11</b>	<b>3.11</b>
<b>Difference from entitlement no.</b>		1.95	-0.96	-0.77	-0.11	-0.11
<b>Difference from entitlement %</b>		2.2373	-1.1084	-0.8826	-0.01232	-0.01232

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**STANDARDS HEARING DECISION**

**Council - 13 October 2016**

Report Author **Monitoring Officer**

Status **For Decision**

Classification: **Unrestricted**

Key Decision **No**

Previously Considered by **Standards Hearing Sub Committee – 7 September 2016**

Ward: **n/a**

**Executive Summary:**

A complaint was received against Cllr Larkins in respect of comments she made on a Facebook page. The complaint was considered by the Standards Hearing sub-Committee on the 7 September 2016.

The Sub-Committee found that Councillor Larkins had breached the Members Code of Conduct and made five recommendations to the Monitoring Officer the two that are the responsibility of Council being:

- That Thanet District Council issue a formal censure by motion to Councillor Larkins for bringing her role as councillor into disrepute. (A censure is the issue of an unfavourable opinion or judgement or reprimand)
- That Councillor Larkins prepares an unequivocal public apology for her conduct. The apology should be published and read out at a council meeting at Thanet District Council.

The matter of imposing a formal censure is a simple decision which Members can either support or reject. It is not a matter for debate or discussion, since to do so, runs the risk of re-opening the decision of the Standards Hearing Sub-Committee which would be wholly inappropriate.

**Recommendation(s):**

1. The Chairman of Council reads out Cllr Larkins apology which is to be published in the minutes of this meeting.
2. That this council agrees the following:  
‘The council censures Councillor Larkins for bringing her role as Councillor into disrepute.’

**CORPORATE IMPLICATIONS**

<b>Financial and Value for Money</b>	There are no financial implications
<b>Legal</b>	The standards process was enacted in the Localism Act 2011 and the Councillor’s code of conduct and the Council’s agreed arrangements. Section 27 of the Localism Act 2011 says that the Council must promote and maintain high standards of conduct by members and co-opted members of the authority.

<b>Corporate</b>	There are no specific risks								
<b>Equalities Act 2010 &amp; Public Sector Equality Duty</b>	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy &amp; maternity. Only aim (i) of the Duty applies to Marriage &amp; civil partnership.</p> <table border="1"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td>X</td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td>X</td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td>X</td> </tr> </table> <p>The complaint against Councillor Larkins relates to religious intolerance. Addressing and dealing with religious intolerance supports all three limbs of the public sector equality duty.</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	X	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	X	Foster good relations between people who share a protected characteristic and people who do not share it.	X
Please indicate which aim is relevant to the report.									
Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	X								
Advance equality of opportunity between people who share a protected characteristic and people who do not share it	X								
Foster good relations between people who share a protected characteristic and people who do not share it.	X								

<b>CORPORATE PRIORITIES (mark those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	x

<b>CORPORATE VALUES (mark those relevant)✓</b>	
Delivering value for money	
Supporting the Workforce	x
Promoting open communications	x

## 1.0 Introduction and Background

- 1.1 A total of six complaints were received from members of the public concerning comments made by Cllr Larkins on a publicly available UKIP LGBTQ Facebook page. The nature of the complaints were that Cllr Larkins displayed an intolerance towards someone of a particular religious group and were offensive in nature.
- 1.2 In referring to the candidates for the London Mayoral election, Cllr Larkins wrote '*Anyone but a Muslim*' there was then a comment from a third party who said '*Cllrs should be very careful what they say*' in response, Cllr Larkins wrote in response '*Je suis Brussels (sic) et Paris*'
- 1.3 The complaints were considered by the Standards Assessment Sub-Committee on the 13 April 2016 and the Sub-Committee recommended to the Monitoring Officer that the complaints be investigated.
- 1.4 Following the completion of the investigation, the matter was considered by a Standards Hearing Sub-Committee on the 7 September 2016.

## **2.0 The Standards Hearing Sub Committee**

2.1 The Standards Hearings Sub Committee accepted the investigator's conclusions and agreed that there was a case to answer.

2.2 The formal decision from the Standards Hearings Sub Committee was:

That Councillor Larkins failed to comply with the requirements of Paragraph 2.2 and 3(2)(f) of the Code of Conduct for elected and co-opted members of Thanet District Council for the reasons given by the Standards Hearings Sub Committee and the Monitoring Officer be informed accordingly.

That the Monitoring Officer be recommended to impose the sanctions set out below, as recommended by the Standards Hearings Sub Committee.

2.3 Paragraph 2.2 says: a Member must comply with this code whenever acting in the capacity of a member of the authority

2.4 Paragraph 3(2)(f) says: you must not conduct yourself in a manner which reasonably could be regarded as bringing your office or the Authority into disrepute

2.5 The Sub Committee recommended that the following sanctions should be imposed:

1. That Thanet District Council and Ramsgate Town Council issue a formal censure by motion to Councillor Larkins for bringing her role as Councillor into disrepute.
2. Given the role of the Deputy Mayor in representing both the Ramsgate Town Council and the town in all sections of the community that Councillor Larkins resigns from the office of Deputy Mayor immediately.
3. That Councillor Larkins prepares an unequivocal public apology for her conduct. The apology should be published and read out at a council meeting at both Ramsgate Town Council and Thanet District Council.
4. That Councillor Larkins for a period of six months, be removed from all committees, sub-committees and outside appointments to which she has been appointed or nominated by either Council.
5. That Thanet District Council issues a press release of the decision in respect of the complaints against Councillor Larkins and the recommended sanctions.

## **3. Actions Following the Decision**

3.1 The Monitoring Officer has accepted all the recommendations from the Standards Hearing Sub Committee. In respect of the recommended sanctions, the following steps have been taken.

1. This report has been prepared for this meeting and a similar report will be forwarded to Ramsgate Town Council.
2. The recommendation for resignation has been passed to Cllr Larkins.
3. The recommendation for an apology has been passed to Cllr Larkins and it has been suggested that it could be read out at this meeting.
4. The recommendation for removal from committees and outside bodies has been passed to her group leader.
5. A press release has already been issued.

Contact Officer:	Tim Howes, Monitoring Officer ext 7071
Reporting to:	Madeline Homer, Chief Executive

**Annex List**

<i>Annex 1</i>	Standards Hearing Sub Committee Decision Notice
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**Corporate Consultation**

<b>Finance</b>	Tim Willis, Director of Corporate Resources and S.151 Officer
<b>Legal</b>	Timothy Howes Director of Corporate Governance and Monitoring Officer

**THANET DISTRICT COUNCIL STANDARDS COMMITTEE**  
**STANDARDS HEARING SUB-COMMITTEE – 07/09/2016**  
**DECISION NOTICE**



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**Case No:** TDCSC144/16  
**Complainants:** Confidential  
**Subject Member:** Councillor Sarah Larkins  
Thanet District Council

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**Summary of Complaint:**

A number of members of the public complained that Councillor Larkins made a discriminatory comment regarding the election for the Mayor of London on a social media website.

**Relevant Sections of the Code of Conduct**

Paragraph 2.2: The Code applies to you as a Member or Co-opted Member of Thanet District Council when acting, claiming to act or giving the impression that you are acting in that capacity.

Paragraph 3.2(f): You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or the authority into disrepute.

**Assessment of the Complaint**

The complaint was received on 29 March 2016. The Standards Assessment Sub-committee assessed the complaint on 13 April 2016. Their decision was to refer the complaint to the Monitoring Officer with a recommendation for investigation.

**Independent Investigation**

The Monitoring Officer appointed an independent investigator to conduct an investigation at the conclusion of which the investigator reported that she was of the opinion that Councillor Larkins had failed to comply with the requirements of Paragraph 2.2 and Paragraph 3(2)(f) of the Code of Conduct.

### **Consultation with Independent Person**

The Council's adopted procedures require the Monitoring Officer to consult the Independent Person following receipt of an investigation report. Consultation with the Independent Person took place on the 1 September 2016 as a result of which the complaint was referred for a Hearing by the Standards Hearing Sub-Committee.

### **Members of the Standards Hearings Sub-Committee**

Dr Sexton, Independent Chairman of the Standards Committee

Councillor J. Fairbrass, Thanet District Council

Councillor Tomlinson, Thanet District Council

### **Hearing**

On 7 September 2016, the Standards Hearings Sub-committee considered the complaint against Councillor Larkins. In the absence of Councillor Larkins to express a view on whether the hearing should be conducted in public or private, the Sub-committee resolved to hear the case in private.

The Standards Hearings Sub-committee considered the investigator's report.

### **Case to Answer**

The Standards Hearings Sub-committee accepted the investigator's conclusions and agreed that there was a case to answer.

### **View of Independent Person**

Thanet, like the most of the UK, is a culturally and racially diverse district.

For such a person appointed by the people, to represent the people and their views to express such discriminatory attitudes on a social media network or in any public arena is unacceptable.

The Standards Committee and the Council must accept the seriousness of this complaint and deal with it in the strongest way possible.

Behaviour of this nature cannot be tolerated.

### **Recommendations on Findings**

The Sub Committee considered that Councillor Larkins had failed to comply with the requirements of Paragraph 2.2 and 3(2)(f) of the Code of Conduct of Thanet District Council.

## **Reasons**

1. The preamble to the Members Code of Conduct at Paragraph 1.2 made it clear that the Code also applied to councillors when acting, claiming to act or giving the impression that they were acting in that capacity.

## **Recommendations on Sanctions**

The Sub Committee recommended that the following sanctions should be imposed:

1. That Thanet District Council and Ramsgate Town Council issue a formal censure by motion to Councillor Larkins for bringing her role as Councillor into disrepute.
2. Given the role of the Deputy Mayor in representing both the Ramsgate Town Council and the town in all sections of the community that Councillor Larkins resigns from the office of Deputy Mayor immediately.
3. That Councillor Larkins prepares an unequivocal public apology for her conduct. The apology should be published and read out at a council meeting at both Ramsgate Town Council and Thanet District Council.
4. That Councillor Larkins for a period of six months, be removed from all committees, sub-committees and outside appointments to which she has been appointed or nominated by either Council.
5. That Thanet District Council issues a press release of the decision in respect of the complaints against Councillor Larkins and the recommended sanctions.

## **Formal Decision**

1. That Councillor Larkins failed to comply with the requirements of Paragraph 2.2 and 3(2)(f) of the Code of Conduct for elected and co-opted members of Thanet District Council for the reasons given by the Standards Hearings Sub Committee and the Monitoring officer be informed accordingly.
2. That the Monitoring Officer be recommended to impose the sanctions set out above.

## **Right of Appeal**

There is no right of appeal.

## **Distribution**

In accordance with the Council's adopted arrangements copies of this Decision Notice will be provided to:-

- The Subject Member: Councillor Larkins
- The Clerk of Ramsgate Town Council

- The Subject Member's Group Leader: Councillor Wells
- The Complainants: Confidential

**Publicity**

This Decision Notice will be published on the Thanet District Council website for a period of 56 days. A Press Release will be issued on behalf of Thanet District Council.

**As the Council's Monitoring Officer, I accept the recommendations of the Standards Hearing Sub-Committee.**



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**Signed**

**Date**

Timothy Howes

21/09/2016

**Monitoring Officer  
Thanet District Council**



## THANET DISTRICT COUNCIL DECLARATION OF INTEREST FORM

### Do I have a Disclosable Pecuniary Interest and if so what action should I take?

Your Disclosable Pecuniary Interests (DPI) are those interests that are, or should be, listed on your Register of Interest Form.

If you are at a meeting and the subject relating to one of your DPIs is to be discussed, in so far as you are aware of the DPI, you **must** declare the existence **and** explain the nature of the DPI during the declarations of interest agenda item, at the commencement of the item under discussion, or when the interest has become apparent

Once you have declared that you have a DPI (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must:-**

1. Not speak or vote on the matter;
2. Withdraw from the meeting room during the consideration of the matter;
3. Not seek to improperly influence the decision on the matter.

### Do I have a significant interest and if so what action should I take?

A significant interest is an interest (other than a DPI or an interest in an Authority Function) which:

1. Affects the financial position of yourself and/or an associated person; or Relates to the determination of your application for any approval, consent, licence, permission or registration made by, or on your behalf of, you and/or an associated person;
2. And which, in either case, a member of the public with knowledge of the relevant facts would reasonably regard as being so significant that it is likely to prejudice your judgment of the public interest.

An associated person is defined as:

- A family member or any other person with whom you have a close association, including your spouse, civil partner, or somebody with whom you are living as a husband or wife, or as if you are civil partners; or
- Any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors; or
- Any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000;
- Any body of which you are in a position of general control or management and to which you are appointed or nominated by the Authority; or
- any body in respect of which you are in a position of general control or management and which:
  - exercises functions of a public nature; or
  - is directed to charitable purposes; or
  - has as its principal purpose or one of its principal purposes the influence of public opinion or policy (including any political party or trade union)

An Authority Function is defined as: -

- Housing - where you are a tenant of the Council provided that those functions do not relate particularly to your tenancy or lease; or
- Any allowance, payment or indemnity given to members of the Council;
- Any ceremonial honour given to members of the Council
- Setting the Council Tax or a precept under the Local Government Finance Act 1992

If you are at a meeting and you think that you have a significant interest then you **must** declare the existence **and** nature of the significant interest at the commencement of the

matter, or when the interest has become apparent, or the declarations of interest agenda item.

Once you have declared that you have a significant interest (unless you have been granted a dispensation by the Standards Committee or the Monitoring Officer, for which you will have applied to the Monitoring Officer prior to the meeting) you **must:-**

1. Not speak or vote (unless the public have speaking rights, or you are present to make representations, answer questions or to give evidence relating to the business being discussed in which case you can speak only)
2. Withdraw from the meeting during consideration of the matter or immediately after speaking.
3. Not seek to improperly influence the decision.

### **Gifts, Benefits and Hospitality**

Councillors must declare at meetings any gift, benefit or hospitality with an estimated value (or cumulative value if a series of gifts etc.) of £25 or more. You **must**, at the commencement of the meeting or when the interest becomes apparent, disclose the existence and nature of the gift, benefit or hospitality, the identity of the donor and how the business under consideration relates to that person or body. However you can stay in the meeting unless it constitutes a significant interest, in which case it should be declared as outlined above.

### **What if I am unsure?**

If you are in any doubt, Members are strongly advised to seek advice from the Monitoring Officer or the Committee Services Manager well in advance of the meeting.

## **DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS, SIGNIFICANT INTERESTS AND GIFTS, BENEFITS AND HOSPITALITY**

**MEETING** .....

**DATE**..... **AGENDA ITEM** .....

**DISCRETIONARY PECUNIARY INTEREST**

**SIGNIFICANT INTEREST**

**GIFTS, BENEFITS AND HOSPITALITY**

**THE NATURE OF THE INTEREST, GIFT, BENEFITS OR HOSPITALITY:**

.....  
.....  
.....

**NAME (PRINT):** .....

**SIGNATURE:** .....

Please detach and hand this form to the Democratic Services Officer when you are asked to declare any interests.