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Sevenoaks
DISTRICT COUNCIL

Despatched: 15.02.16

COUNCIL

Further to the recent despatch of papers please find attached the minute references from Cabinet and Standards Committee that were not available prior to the publication of the main agenda papers:

6	b)	Treasury Management Strategy 2016/17	(Pages 1 - 18)
6	c)	Budget and Council Tax Setting 2016/17	(Pages 19 - 20)
7	d)	Monitoring Officer's Annual Report	(Pages 21 - 22)

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Item 6 (b) – Treasury Management Strategy 2016/17

The attached report was considered by the Cabinet, relevant minute extract below

Cabinet - 4 February 2016 (Minute 72)

The minute reference from the Finance & Advisory Committee was tabled, which included an updated interest rate forecast from Capita Asset Services together with an update on Santander UK Plc latest credit ratings. The Portfolio Holder for Finance presented the report advising that the Finance Advisory Committee had considered the same report and had agreed to recommend it with the inclusion of Santander UK Plc as an investment counterparty.

The Principal Accountant introduced the report advising that it formed part of the budget strategy for 2016/17 and sets out the proposed treasury strategy for the forthcoming year. Since the writing of the report, Capita Asset Services had amended their interest rate forecast. Therefore, the prospects for interest rates detailed in the report and Appendix B to the report had changed.

Santander was recognised as a UK bank, but its parent company was Spanish. It was noted that investment in non-UK banks was currently permitted under the existing policy, but Members had preferred that investment was restricted to UK organisations with the exception of Handelsbanken, a Swedish bank which was approved for use in the current financial year. He advised that he was aware that out of the eleven authorities in the investment benchmarking group, six had investments with Santander and the bank's investment rates were either in line with or exceeded those available in the market.

If Members were minded to include Santander, then the Capita Asset Services recommended duration limit at the present time was 6 months, and they would fall into the investment limit category of up to £7m.

It was noted that the last training session by Capita for Members had been in 2010. Officers agreed to investigate further training for Members. As there was a fee, joint training with other authorities could be considered in order to spread the cost.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

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Resolved: That with the inclusion of Santander UK Plc as an investment counterparty, Cabinet recommend the Council approve the Treasury Management Strategy for 2016/17.

Santander UK plc

	S&P	Moody's	Fitch
Long-term rating	A	A1	A
Long-term rating outlook	Stable	Stable	Positive
Short-term rating	A-1	P-1	F1
Latest rating report*	19-01-2016 (PDF)	16-09-2015 (PDF)	16-07-2015 (PDF)

Santander UK Group Holdings plc

	S&P	Moody's	Fitch
Long-term rating	BBB	Baa1	A
Long-term rating outlook	Stable	Stable	Positive
Short-term rating	A-2	P-2	F1

* The rating reports available on this website were produced by independent rating agencies which have no association with Santander UK plc (Santander). The reports are subject to the copyright of the relevant rating agencies and certain limitations and disclaimers set out in their reports. The reports are provided by Santander as published by the rating agencies and Santander does not make any representations, express or implied, regarding their accuracy, adequacy, completeness, fitness for purpose or otherwise. Santander does not accept any liability for errors, omissions or inadequacies in the reports or for your reliance on the reports.

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Research Update:

Santander UK PLC Outlook Revised To Stable; 'A/A-1' Ratings Affirmed; Three Hybrids Upgraded

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Research Update:

Santander UK PLC Outlook Revised To Stable; 'A/A-1' Ratings Affirmed; Three Hybrids Upgraded

Overview

- Since its creation a year ago, Santander UK Group Holdings PLC has issued meaningful amounts of additional tier 1, tier 2, and--more recently--senior unsecured debt.
- We therefore see only a remote possibility that the additional loss-absorbing capacity (ALAC) buffer of its subsidiary, Santander UK, will fall short of our projection of at least 8%, in the next 12-18 months.
- We are therefore revising our outlook on Santander UK to stable from negative and affirming the 'A/A-1' long- and short-term counterparty credit ratings. We continue to include two notches of ALAC uplift in the long-term rating.
- The stable outlook on Santander UK reflects our expectation that it will see continued gradual strengthening of capitalization over the next two years and continued issuance of a meaningful amount of senior debt at the holding company level.
- We have raised by one notch to 'BB' our ratings on three legacy deferrable hybrid instruments, reflecting our view of a lower risk of coupon deferral.

Rating Action

On Jan. 19, 2016, Standard & Poor's Ratings Services revised the outlook on Santander UK PLC to stable from negative and affirmed its 'A/A-1' long- and short-term counterparty credit ratings on the bank.

At the same time, we affirmed the 'BBB/A-2' counterparty credit ratings on nonoperating holding company (NOHC) Santander UK Group Holdings PLC (or the UK NOHC). The outlook is stable.

We also raised to 'BB' from 'BB-' our rating on three legacy instruments (ISIN XS0124569566, XS0188550114, and XS0502105454) issued by Santander UK and affirmed the ratings on all other hybrid instruments.

Rationale

The revision of our outlook on Santander UK's long-term rating incorporates the significant amount of debt that the UK NOHC has issued externally since April 2015. As a result, we see a smaller risk that the U.K. banking group's issuance of additional loss-absorbing capacity (ALAC) buffer may fall short of

our projections.

We continue to include two notches of uplift in the long-term rating on Santander UK because we consider it is likely to increase ALAC above our 8% threshold over the next two years. We estimate that the bank's buffer was close to 6% at end-2015. The projected increase is mainly attributable to expected senior unsecured issuance by Santander UK's intermediate holding company, Santander UK Group Holdings. We observe, for instance, the latter's benchmark US$1 billion senior unsecured bond issuance in October 2015, and its US$1 billion and £500 million issuance in January 2016. We expect continued market appetite for these instruments in 2016. We therefore believe that Santander UK's ALAC buffer will exceed 8% by end-2016, based mostly on further senior unsecured issuance by the UK NOHC.

Consistent with our criteria, we continue to rate Santander UK above its parent Banco Santander (A-/Stable/A-2) as a result of ALAC. This is because we believe that the subsidiary is clearly subject to a separate resolution process; that the subsidiary will be able to continue operating without defaulting on its senior unsecured obligations in the event of a resolution of the parent; and that Santander UK's ALAC cannot be used to recapitalize another part of the Banco Santander group.

We have maintained the unsupported group credit profile (GCP) at 'bbb+', reflecting the Santander UK group's sound capitalization and risk position, and the gradual strengthening of its franchise. We expect that the bank's risk-adjusted capital (RAC) ratio will be in the 9.25%-9.75% range in the next two years, with sound earnings generation offsetting a sustained growth in exposures and the distribution of about half the net income through dividends. Therefore, our projected RAC edges toward the upper-end of the 7%-10% range we typically ascribe to an adequate assessment of capital and earnings. Our projection does not incorporate any possible subsequent AT1 issuance or refinancing of legacy issues currently excluded from our ratio.

The upgrade of three legacy tier 1 instruments reflects our view of a lower risk of coupon deferral. We rate most of Santander UK's legacy tier 1 instruments four notches below the stand-alone credit profile. We previously rated these three instruments one notch lower, with the extra notch reflecting our view that--given their fully discretionary nature--coupon payments could be deferred in the event of coupon deferral on instruments issued by Banco Santander, which are themselves subject to earnings tests. The upgrade considers, among other things, our continued expectation of sound earnings generation by the bank and its parent, and the upgrade of Banco Santander and its hybrids in the fourth quarter of 2015.

Outlook

Santander UK PLC

The stable outlook on Santander UK reflects our expectation of continued gradual strengthening in capitalization over the next two years and the continued issuance of a material buffer of senior debt at the holding company level.

We could lower the ratings if the Santander UK group's issuance of ALAC-eligible instruments in the next 18 months--including NOHC senior debt--were to fall materially short of our expectations. We currently project that most of the ALAC progression to above 8% over the next 18 months will stem from holding company senior debt issuance. We see limited downside risk to Santander UK's stand-alone creditworthiness.

Although unlikely at this stage, we could raise our rating on Santander UK if the successful implementation of its corporate banking strategy led to materially improved diversification of its revenue streams. Further capital strengthening, with a RAC ratio remaining above 10%, could exert positive pressure on the unsupported GCP; but we would not expect this to lead us to raise the ratings on Santander UK as this would likely result in a related one-notch reduction in the ALAC uplift.

Santander UK Group Holdings PLC

The stable outlook on Santander UK Group Holdings reflects our view of the stable stand-alone creditworthiness of the Santander UK group.

We could raise the rating on Santander UK Group Holdings if we revised upward the unsupported GCP, as mentioned above.

We see limited downside risk to the ratings on the UK NOHC, reflecting our view of the Santander UK group's resilient intrinsic creditworthiness.

Rating Score Snapshot

Issuer Credit Rating*: A/Stable/A-1

SACP: bbb+
Anchor: bbb+

- Business Position: Adequate (0)
- Capital and Earnings: Adequate (0)
- Risk Position: Adequate (0))
- Funding and Liquidity: Average and Adequate (0)

Support: +2
- ALAC Support: +2
- GRE Support: 0
- Group Support: 0

- Sovereign Support: 0

Additional Factors: 0

*Santander UK PLC.

Related Criteria And Research

Related criteria

- Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Banks: Assessing Bank Branch Creditworthiness, Oct. 14, 2013
- Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Banks: Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework, June 22, 2012
- Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Banks: Bank Capital Methodology And Assumptions, Dec. 6, 2010
- Banks: Methodology For Mapping Short- And Long-Term Issuer Credit Ratings For Banks, May 4, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Banks: Commercial Paper I: Banks, March 23, 2004

Ratings List

Ratings Affirmed; Outlook Action

	To	From
Santander UK PLC		
Counterparty Credit Rating	A/Stable/A-1	A/Negative/A-1
Subordinated	BBB-	BBB-
Junior Subordinated	BB	BB
Junior Subordinated	BB+	BB+
Preference Stock	BB	BB

Upgraded

Santander UK PLC		
Junior Subordinated	BB	BB-
Preferred Stock	BB	BB-
Preference Stock	BB	BB-

Affirmed

Santander UK Group Holdings PLC	
Counterparty Credit Rating	BBB/Stable/A-2
Senior Unsecured	BBB
Subordinated	BB+
Junior Subordinated	B+
Abbey National Capital Trust I	
Preferred Stock	BB
Abbey National North America LLC	
Commercial Paper*	A-1
Abbey National Treasury Services PLC	
Senior Unsecured*	A
Certificate Of Deposit*	A-1
Commercial Paper*	A-1
Abbey National Treasury Services PLC (Hong Kong branch)	
Certificate Of Deposit*	A/A-1

*Guaranteed by Santander UK PLC.

Additional Contact:
Financial Institutions Ratings Europe; FIG_Europe@standardandpoors.com

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

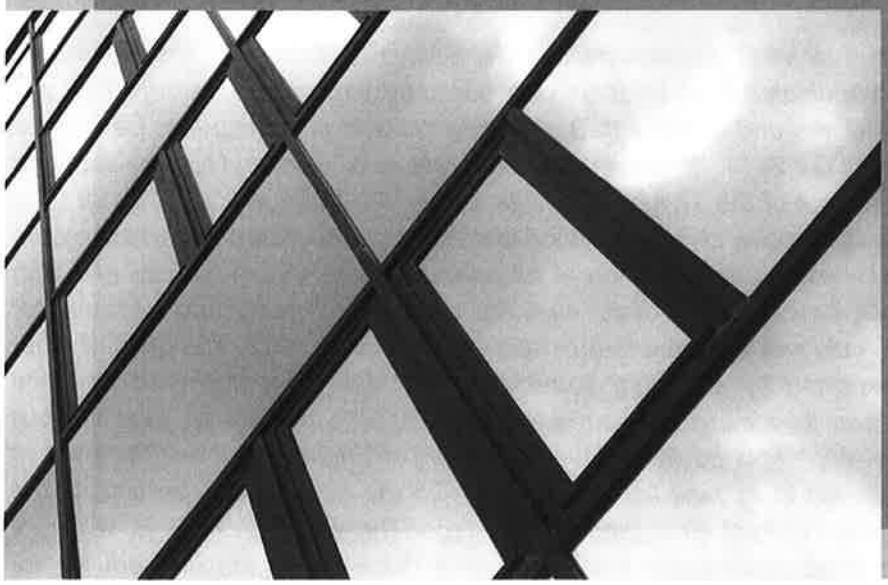
CAPITA

Asset Services

Treasury solutions

Updated Interest Rate Forecast

20 January 2016



Capita Asset Services Updated Interest Rate Forecast

Not a very happy new year!

- *We have undertaken an early revision of our interest rate forecasts before our previously scheduled revision after the February Inflation Report as a result of the downbeat UK and world economic news in recent weeks and the extreme volatility we have seen in financial markets, with a few doom and gloom commentators unable to see any silver linings at all.*

- *Our revised forecast has pushed back the timing of the start of increases in Bank Rate from quarter 2 2016 to quarter 4. The pace of increases has remained slow and gradual. Our PWLB forecasts similarly now reflect a slower pace of increase.*

- *Our forecasts reflect the differences in the strength and pace of recovery between the US and UK which has resulted in the Fed. making a start on increasing rates in December 2015 while the slower and weaker pace of recovery in the UK, and continuing measures to reduce Government budget deficits in the UK, mean that the UK's MPC will take a slower and more gradual path in increasing rates than in the US.*

- *However, the key to MPC decision making will always be inflation. The November Inflation Report indicated that inflation was currently expected to struggle to get barely over 2% at the end of the 2 to 3 year time horizon assuming that Bank Rate did not go up until Q2 2017. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a tick up from the current rate little above zero, and was expected to get to around 1 percent by the end of 2016. However, with the price of oil having recently fallen further, and with sanctions having been lifted on Iran, enabling it to sell oil freely into international markets, there could well be some further falls still to come in 2016. The price of other commodities exported by emerging countries could also have downside risk and several have seen their currencies already fall by 20-30%, (or more), over the last year. These developments could well lead the Bank of England to lower the pace of increases in inflation in its next Inflation Report. On the other hand, the start of the national living wage in April 2016 (and further staged increases until 2020), will raise wage inflation; however, it could also result in a decrease in employment so the overall inflationary impact may be muted.*

- *Yesterday, Bank of England Governor Carney definitively ruled out an increase in Bank Rate in the very near future. He has previously laid out three criteria that need to be met before he would look to make a start on increasing Bank Rate. These criteria are patently not being met at the current time:*

    1. *Quarter-on-quarter GDP growth is above 0.6% i.e. using up spare capacity. This condition was met in Q2 2015, but Q3 came up short and Q4 looks likely to also fall short.*

2. *Core inflation (stripping out most of the effect of decreases in oil prices), registers a concerted increase towards the MPC's 2% target. This measure was on a steadily decreasing trend since mid-2014 until November 2015 @ 1.2%. December 2015 saw a slight increase to 1.4%.*
3. *Unit wage costs are on a significant increasing trend. This would imply that spare capacity for increases in employment and productivity gains are being exhausted, and that further economic growth will fuel inflationary pressures.*

- *Confidence is another big issue to factor into forecasting. Recent volatility in financial markets could dampen investment decision making as corporates take a more cautious view of prospects in the coming years due to international risks. This could also impact in a slowdown in increases in employment. However, consumers will be enjoying the increase in disposable incomes as a result of falling prices of fuel, food and other imports from emerging countries, so this could well feed through into an increase in consumer expenditure and demand in the UK economy, (a silver lining!). Another silver lining is that the UK will not be affected as much as some other western countries by a slowdown in demand from emerging countries, as the EU and US are our major trading partners.*

CAPITA ASSET SERVICES' FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. An eventual world economic recovery will also see investors switching from the safe haven of bonds to equities.

We have pointed out consistently that the Fed. rate is likely to go up both sooner and more strongly than Bank Rate in the UK. These increases will have corresponding effects in pushing up US Treasury and UK gilt yields. While there is normally a high degree of correlation between the two yields, we would expect to see a decoupling of yields between the two i.e. we would expect US yields to go up faster than UK yields. We will need to monitor this area closely and the resulting effect on PWLB rates.

The overall balance of risks to economic recovery in the UK is currently to the downside. Only time will tell just how long this current period of reasonably strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

We would, however, remind clients of the view that we have expressed in our previous interest rate revision newsflashes of just how unpredictable PWLB rates and bond yields are

at present. We are experiencing exceptional levels of volatility which are highly correlated to emerging market, geo-political and sovereign debt crisis developments. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or Fed. rate increases, causing a flight to safe havens (bonds).
- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- Uncertainty around the risk of a UK exit from the EU.
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

	NOW	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
BANK RATE	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75
3 month LIBID	0.52	0.50	0.50	0.60	0.80	0.90	1.00	1.10	1.30	1.40	1.50	1.60	1.80	1.90
6 month LIBID	0.66	0.70	0.70	0.80	0.90	1.00	1.20	1.30	1.50	1.60	1.70	1.80	2.00	2.20
12 month LIBID	0.98	1.00	1.00	1.10	1.20	1.30	1.50	1.60	1.80	1.90	2.00	2.10	2.30	2.40
5 yr PWLB	1.92	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.80	2.90	3.00	3.10	3.20
10 yr PWLB	2.58	2.60	2.70	2.80	2.90	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.60	3.70
25 yr PWLB	3.36	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10	4.10
50 yr PWLB	3.18	3.20	3.20	3.30	3.40	3.50	3.60	3.70	3.80	3.90	3.90	4.00	4.00	4.00

BANK RATE	now	previously
Q1 2016	0.50%	0.50%
Q1 2017	0.75%	1.00%
Q1 2018	1.25%	1.75%
Q1 2019	1.75%	2.00%

Our target borrowing rates and the current PWLB (certainty) borrowing rates are set out below.

PWLB debt	Current borrowing rate as at 19.1.16	Target borrowing rate now (Q1 2016)	Target borrowing rate previous (Q1 2016)
5 year	1.92%	2.00%	2.40%
10 year	2.58%	2.60%	3.00%
25 year	3.36%	3.40%	3.70%
50 year	3.18%	3.20%	3.60%

Our suggested budgeted investment earnings rates for investments up to about three months duration in each financial year for the next seven years are as follows: -

Average earnings in each year	Now	Previously
2015/16	0.50%	0.50%
2016/17	0.60%	0.90%
2017/18	1.25%	1.50%
2018/19	1.75%	2.00%
2019/20	2.25%	2.25%
2020/21	2.50%	2.50%
2021/22	2.75%	3.00%
2022/23	2.75%	3.00%
2023/24	3.00%	3.00%
Later years	3.00%	3.00%

As there are significant potential risks from the Eurozone and from financial flows from emerging markets in particular, caution must be exercised in respect of all interest rate forecasts at the current time. The general expectation for an eventual trend of gently rising gilt yields and PWLB rates is expected to remain unchanged, as market fundamentals will focus on the sheer volume of UK gilt issuance, (and also US Treasury issuance), and the price of those new debt issues. Negative, (or positive), developments in the EZ sovereign debt crisis and some emerging market countries could significantly impact safe-haven flows of investor money into UK, US and German bonds and produce shorter term movements away from our central forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps.

Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

Interest Rate Strategy Group

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Item 6 (c) – Budget and Council Tax Setting 2016/17

The attached report was considered by the Cabinet, relevant minute extract below

Cabinet – 4 February 2016 (Minute 69)

The Portfolio Holder for Finance presented the report for Members consideration, which was the final stage of the budget process that had seen members of the Advisory Committees having greater opportunity to contribute to the budget process. The report set out the proposed budget and required level of Council Tax for 2016/17 and also detailed changes to the draft budget since the Cabinet meeting on 14 January 2016. Members noted the corrected Appendix B as previously separately circulated and published after the main agenda but not contained in the original paper copy of the agenda, and further noted Appendices J to M would be circulated for Council decision.

The Government's draft finance settlement had been worse than expected across local government but had once again showed the benefit of having a 10-year budget strategy as no further savings had needed to be made to protect the Council's position. This was not the case for many other local authorities. If approved, the net expenditure budget for 2016/17 would be £13.689m with the District's Council Tax increasing by 1.96% resulting in Band D Council Tax being £196.65. He was pleased to announce that the report once again left the Council with a fully funded budget over the next 10 years.

The report also contained the Collection Fund position and an opinion on the robustness of the budget and the adequacy of the reserves.

The Chief Finance Officer explained that Appendix H to the report contained a review of reserves which included the recommendation to establish a Switch & Save Reserve, a Business Rates Retention Reserve and a CIL Reserve. Also included were some other movements between reserves.

The Government had not yet announced the final funding settlement figures for 2016/17 which were expected early the following week. Any changes included in that settlement would not affect the budget being recommended in the report. He reminded Members that the provisional settlement included a 61% reduction in the Revenue Support Grant (RSG) in 2016/17 alone, and that the figures assumed no funding would be passed on to Town and Parish Councils for Council Tax Support, which was one of the three options Council would be asked to consider.

He further advised that the changes should make the 10-year budget even more sustainable going forward as any Government changes would have less impact.

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The Chairman, on behalf of the Cabinet, congratulated the Chief Finance Officer and all his staff for all their work, especially with regards to leading the response to Government on the new RSG proposals.

The Chairman advised that he believed there would be an expectation from Government for local authorities to accept any freedoms given this financial year, as part of locally raised fees and charges.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Council that

a) the Summary of Council Expenditure and Council Tax for 2016/17 set out in Appendix E to the report, be approved;

b) the 10-year budget 2016/17 to 2025/26 which is the guiding framework for the detailed approval of future years' budgets set out in Appendix B to the report, including the growth and savings proposals set out in Appendix C-D to the report, be approved; and that where possible any variations during and between years be met from the Budget Stabilisation Reserve;

c) the changes to reserves and provisions set out in Appendix H to the report, be approved;

d) Members' views be sought on the issue of Council Tax Support funding for Town and Parish Councils and one of the following options be approved:

   i) no funding be passed to Town and Parish Councils for Council Tax Support in 2016/17;

   ii) an amount of funding be passed to Town and Parish Councils for Council Tax Support in 2016/17 equivalent to the amount passed on in 2013/14 less 78% (the Council's reduction in Revenue Support Grant); or

   iii) a different amount be passed to Town and Parish Councils for Council Tax Support in 2016/17.

Item 7 (d) – Monitoring Officer's Annual Report

The attached report was considered by the Standards Committee, relevant minute extract below:

Standards Committee - 9 February 2016 (Minute 3)

The Monitoring Officer presented her eleventh Annual Report, which provided an overview of the work of the Monitoring Officer, the Standards Committee and the general governance arrangements within the Council during 2015. Although there had been 18 complaints made to the Local Government Ombudsman over the year, only one was upheld, which was due to a delay within the Council. No compensation payments had been made and there was no finding of maladministration. Members were notified that ethical standards at the Council were high and the Council had remained lawful.

The Monitoring Officer provided details on the six complaints of Member misconduct received during 2015 and summarised within the report. Five of the complaints related to Town or Parish Councils and one to a District Councillor but one had subsequently been withdrawn by the complainant and none of the complaints had gone forward for investigation. Member training and development had continued to be well received and the Council had 17 new Members following the elections in May 2015. Members had also received guidance on completing their Register of Interest forms following the election. Members were advised that there were no ethical problems with any Member of the Council or the Parish or Town Councils.

A Member enquired how long each complaint of Member misconduct took to process. Officers advised that each investigation took approximately four hours, which was considerably less than the time taken to deal with complaints prior to the reforms of Localism Act 2011.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the report be noted and recommended to Council.

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