



Agenda

Audit and Standards Committee

Date:	Thursday, 16 November 2017 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor John Singleton JP (Chairman)</p> <p>Councillor David Donaldson (Vice-Chairman)</p> <p>Councillors Delma Collins, Peter Collins, Paul Hayhurst, Roger Lloyd, Edward Nash, Graeme Neale, Roger Small.</p>

	PROCEDURAL ITEMS:	PAGE
1	Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 21 September 2017 as a correct record.	1
3	Substitute Members: Details of any substitute members notified in accordance with council procedure rule 24(c).	1
	AUDIT DECISION ITEMS:	
4	Annual Audit Letter 2016/17	3 - 12
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6	DCLG Consultation on Disqualification Criteria for Councillors and Mayors	26 - 46
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7	Annual Governance Statement – Action Plan	47 - 48

Contact: Tara Walsh - Telephone: (01253) 658546 – Email: democracy@fylde.gov.uk

The code of conduct for members can be found in the council's constitution at
<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	16 NOVEMBER 2017	4
ANNUAL AUDIT LETTER 2016/17			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The Committee is requested to consider the contents of the Annual Audit Letter issued by the Council's external auditors, KPMG for the financial year 2016/17. The Audit Letter details the auditor's opinion on the Council's performance and financial management. The opinion of KPMG is also provided on the Council's preparation of its financial statements. The report will be presented by KPMG.

RECOMMENDATIONS

The Committee is asked to note the content of the Annual Audit Letter and provide comments as appropriate.

SUMMARY OF PREVIOUS DECISIONS

The Committee is asked to note the content of the Annual Audit Letter and provide comments as appropriate.

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	√
Delivering the services that customers expect of an excellent council (Clean and Green)	
Working with all partners (Vibrant Economy)	
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

REPORT

- 1.1 The Audit letter is produced each year by the Council's external auditors upon conclusion of the audit in respect of the prior financial year. The judgements contained within the Audit Letter are based upon inspection activity which has been undertaken as part of the audit.
- 1.2 Commentary is provided within the letter about the external auditor's opinion on the Council's financial statements and arrangements for securing value for money. In arriving at their conclusions, the auditors considered financial governance, financial planning and control processes, and how the Council is prioritising resources and seeking to improve efficiency and productivity.
- 1.3 A copy of the Annual Audit Letter for 2016/17 is attached.

CONCLUSION

- 1.4 The Audit and Standards Committee is asked to note the content of the Annual Audit Letter and are invited to make any comments as appropriate.

IMPLICATIONS	
Finance	Implications are detailed within the body of the Audit Letter.
Legal	The legal implications are contained within the body of this report and the report of the Council's external auditors, KPMG.
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	November 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents

Appendix 1 – KPMG Annual Audit Letter 2016/17



Annual Audit Letter 2016/17

Fylde Borough Council

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October 2017

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Amanda Latham, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

The contacts at KPMG in connection with this report are:

Amanda Latham

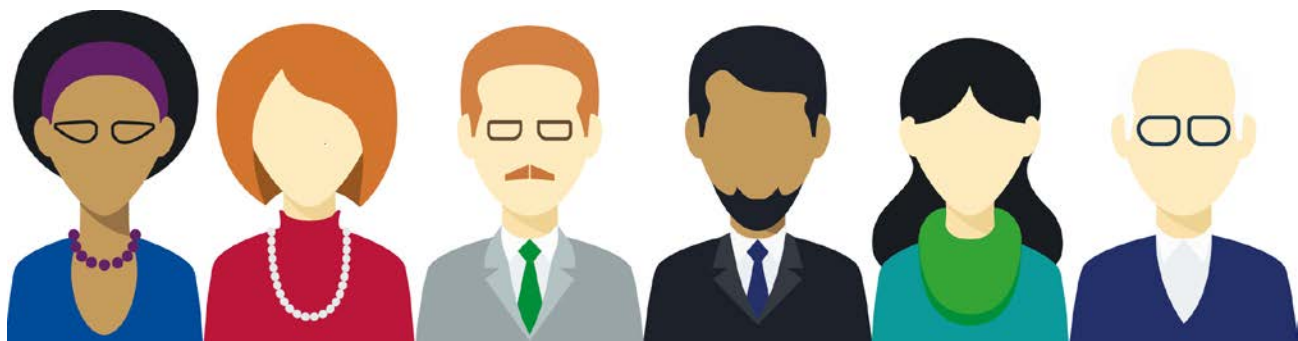
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Section one

Summary

This Annual Audit Letter summarises the outcome from our audit work at Fylde Borough Council in relation to the 2016/17 audit year. Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.



VFM conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2016/17 on 21 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.

We did not identify any significant risks to our VFM conclusion as a result of this risk assessment.

Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 21 September 2017. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.

Financial statements audit

We are pleased to report that we did not identify any material misstatements.

We did identify a number of presentational adjustments required to ensure that the accounts are compliant with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 ('the Code'), including regarding the restatement of the Comprehensive Income and Expenditure Statement. The Authority amended its Statement of Account for all of these presentational matters prior to approval of the final accounts.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.

Section one

Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

High priority recommendations

We did not raise any high priority recommendations in connection with our audit for 2016/17.

Certificate

We issued our certificate on 21 September 2017. The certificate confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

Audit fee

Our fee for 2016/17 was £47,700, excluding VAT. This was in line with the planned fee for 2016/17, and with the 2015/16 scale fee set by PSAA. Further detail is contained in Appendix 2.

Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter.

These reports can be accessed via the Audit Committee pages on the Authority’s website at www.fylde.gov.uk.





Appendix 2

Audit fees

This appendix provides information on our final fees for the 2016/17 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2016/17 planned audit fee.

External audit

Our final fee for the 2016/17 audit of the Authority was £47,700, which is in line with the planned fee.

Our fees are still subject to final determination by Public Sector Audit Appointments.

Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority’s housing benefit grant claim. This certification work is still ongoing. The final fee will be confirmed through our reporting on the outcome of that work in January 2018.

Other services

We did not charge any additional fees for other services.

External audit fees 2016/17 and 2015/16 (£'000)



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DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	AUDIT AND STANDARDS COMMITTEE	16 NOVEMBER 2017	5
MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2017/18			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

This report is a mid-year Prudential Indicators and Treasury Management monitoring report which has been prepared in line with the recommendations of CIPFA's (Chartered Institute of Public Finance Accountants) Code of Practice on Treasury Management 2011. The report will also be presented for consideration at the Council meeting of 4th December 2017.

RECOMMENDATIONS

1. To scrutinise the Mid-Year Prudential Indicators and Treasury Management monitoring report; and
2. To recommend to Council that the Prudential Indicators and the Investment Limits as shown at Appendix B of this report be approved.

SUMMARY OF PREVIOUS DECISIONS

1. Council approved the 2016/17 to 2020/21 Treasury Management Strategy & Prudential Indicators at its meeting on 2nd March 2017.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	✓
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	✓

MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2017/18 – POSITION AS AT 30th SEPTEMBER 2017

Report

The Code of Practice on Treasury Management requires the Council to receive a Mid-Year Treasury Review report in addition to the forward-looking Annual Treasury Strategy and the backward-looking Annual Treasury Report. The Code of Practice also requires Members to scrutinise the Treasury Management function.

Background

The Mid-Year Treasury Review report has been prepared in compliance with the Code of Practice. In order to assist with the terminology and explanations that are included within this report Appendix A sets out a Glossary of Treasury Terms and a number of Treasury Management and Prudential Indicators Frequently Asked Questions. Appendix B sets out the latest Treasury Management position compared to the forecast Prudential Indicators.

1. Economic Update

1.1 Economic Background

The UK Consumer Price Inflation (CPI) index rose in September to 3.0% as the fall in the value of sterling following the June 2016 EU referendum result continues to feed through into higher import costs. The unemployment rate fell to 4.3%, it's lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation. Economic activity expanded at a slower pace than the previous year with the services sector accounting for 79% of growth.

1.2 Economic Outlook

With household savings falling and negative wage growth there are concerns that these will be a constraint on economic activity in the second half of 2017. On 1st November the Bank of England signalled its concern over household debt levels and the risk of higher inflation by announcing the first base rate increase in ten years, from 0.25% to 0.5%.

Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. The new EU regulations for Money Market Funds were published in July 2017 and existing funds will have to be compliant by January 2019. It is expected that most of the short term Money Market Funds used by the Council will convert to the new low volatility structure.

1.3 Interest Rate Forecast

The latest forecast for interest rates from the Council's Treasury Advisors, Arlingclose, is shown in table 1 below. Arlingclose expect the Bank of England to take a very measured approach to any monetary policy tightening, any further increases in interest rates are expected to be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

Table 1: Interest Rate Forecast from Arlingclose

Quarter Ending	Bank Rate %	Investment Rates %		Borrowing Rates %		
		3 month	1 year	5 year	20 year	50 year
Dec 2017	0.50	0.50	0.70	1.55	2.65	2.50
Mar 2018	0.50	0.50	0.70	1.55	2.65	2.50
Jun 2018	0.50	0.50	0.70	1.60	2.65	2.50
Sep 2018	0.50	0.50	0.70	1.60	2.65	2.50
Dec 2018	0.50	0.50	0.80	1.60	2.65	2.50
Mar 2019	0.50	0.50	0.80	1.65	2.70	2.55
Jun 2019	0.50	0.50	0.80	1.70	2.70	2.60
Sep 2019	0.50	0.50	0.80	1.70	2.75	2.65
Dec 2019	0.50	0.50	0.80	1.75	2.75	2.70
Mar 2020	0.50	0.50	0.80	1.75	2.80	2.75
Jun 2020	0.50	0.50	0.80	1.80	2.85	2.75
Sep 2020	0.50	0.50	0.80	1.85	2.85	2.75
Dec 2020	0.50	0.50	0.80	1.90	2.85	2.75

2. Regulatory Updates

a. MiFID II

Local authorities are currently treated by regulated financial services firms as professional clients. This allows Local Authorities to access a wider range of investments like money market funds, treasury bills and covered bonds. From 3rd January 2018 the second Markets in Financial Instruments Directive (MiFID II) regulations will be implemented. Local authorities will be treated as retail clients who can “opt up” to be professional clients providing they meet the following criteria:-

- Investment balance of at least £10 million
- The person(s) authorised to make investment decisions on behalf of the authority must have at least one year’s relevant professional experience
- Regulated financial services firms must assess the expertise, experience and knowledge of the persons who make investment decisions

The Authority considers that it meets the conditions to opt up to professional status and intends to do so in order to maintain their current status as a professional client.

b. CIPFA Consultation on Prudential and Treasury Management Codes

CIPFA (Chartered Institute of Public Finance Accountants) intends to publish revised Codes for the Prudential Code and the Treasury Management Code towards the end of 2017 for implementation in respect of the 2018/19 financial year. The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to full Council which will cover the capital programme and treasury management. The Prudential Indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. Proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties to be included in the definition of “investments” as well as loans made or shares bought for service purposes. Approval of the technical detail of the Treasury Management Strategy may be delegated to a committee rather than approval by full Council.

The Department of Communities and Local Government (DCLG) is revising its investment guidance (including Minimum Revenue Provision guidance) in order to provide a more rigorous framework for the treatment of commercial investments. Consultation on the changes is expected to commence shortly with implementation from 2018/19.

3. Debt Management

The Council currently has long-term debt of £1.0M at a rate of 3.91% which is due to be repaid in December 2019. No additional external borrowing has taken place during the current financial year.

The Council has a requirement to fund a further £4.9M in 2017/18 (the £5.9M Capital Financing Requirement, or CFR, less £1.0M already borrowed) based on prudential borrowing that has been approved as part of the Capital Programme. The CFR of £5.9M (See Appendix B Table 2) includes this prudential borrowing. Currently this is being funded by the Council's cash flow, i.e. internal borrowing, and it is expected that internal borrowing will continue to be used for the rest of the financial year in line with advice from the Council's Treasury Advisors.

The use of internal resources in lieu of borrowing, i.e. internal borrowing, has continued to be the most cost effective means of funding capital expenditure. Internal borrowing of £4.9M is being used to fund the Capital Programme in 2017/18. Using internal borrowing lowers the overall treasury risk by reducing both external debt and temporary investments. However, this position may not be sustainable over the medium term. Consequently, external borrowing options and the timing of such borrowing will continue to be assessed in conjunction with the Council's Treasury Advisors.

4. Investments

4.1 Investment Activity

The guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

The security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in the Investment Strategy for 2017/18 approved by Council on 2nd March 2017.

The Council defines "high credit quality" organisations as:

- those having a credit rating of A- or higher and that are domiciled in the UK for deposits of up to one year,
- those domiciled in a foreign country those with a sovereign rating of AA+ or higher for deposits of up to one year,
- Those having a credit rating of BBB+ or higher for periods of up to six months.

These criteria are specified within table 3 (Approved Investment Counterparties) of the Treasury Management Strategy as approved by the Council on 2nd March 2017.

The Council held £19.9M of investments as at 30th September 2017. These investments represent the Council's reserves and balances plus surplus cash flow at the mid-year point. The balance of cash is likely to reduce during the remainder of the financial year.

Deposits have been made at an average rate of 0.37% which exceeds the benchmark return of 0.11%. The Council's original estimate for investment income for 2017/18 was £37K. Income from investments has been higher than the forecast amount due to higher than anticipated cash balances and consequently this income budget has been reviewed and has been increased to £64K to reflect the current level of income.

4.2 Bail-in Risk

In the past governments had only two options to resolve failing banks: insolvency; or a taxpayer funded bail-out. Recent banking reform legislation has introduced a third option which allows customers to retain access to their bank accounts, but passes the banks losses onto its investors instead of taxpayers. This is known as a "bail-in".

Local Authorities are not protected from bail in as it is expected that Public Authorities have better access to credit than citizens. Many depositors (such as corporate and retail customers) will rank above the Council in the event of a bail-in.

To respond to this risk the Council will continue to diversify the investment portfolio into more secure asset classes including Treasury Bills that are issued by the UK Central Government.

5. Compliance with Prudential Indicators

The Council has complied with its Prudential Indicators for 2017/18, which were approved on 2nd March 2017 as part of the Council's Medium Term Financial Strategy Update, Including General Fund, Capital Programme and Treasury Management for 2016/17 to 2020/21.

Details of the Prudential Indicators can be found in Appendix B. As changes arise during the year some of the Prudential Indicators and Limits need to be revised.

6. Risk Assessment

Scrutiny of the revised Prudential Indicators and Limits and the subsequent recommendation of approval to the revisions by Audit and Standards Committee to Council helps to protect the Council from the risk of not having adequate liquidity or funding for the Council's capital plans.

Additionally, if this scrutiny process were absent the Council would not be compliant with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) or CIPFA's Code of Practice on Treasury Management.

7. Conclusion

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2017/18. As indicated in this report, none of the Prudential Indicators have been breached and a prudent approach has been taking in relation to investment activity with priority being given to security and liquidity over yield.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	This report secures the continued compliance with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) and CIPFA's Code of Practice on Treasury Management.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658586	November 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy Update Including General Fund, Capital Programme & Treasury 2016/17 – 2020/21	Council meeting 2nd March 2017	www.fylde.gov.uk

Attached documents

1. Appendix A – Glossary of Treasury Terms and Treasury Management and Prudential Indicators Frequently Asked Questions
2. Appendix B – Prudential Indicators

Glossary of Treasury Terms

Term	Description
Counterparty	Another party to an agreement.
Credit rating	A measure of the credit worthiness of an institution, corporation, or a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the counterparty being able to pay back a loan.
Liquidity	As assessment of how readily available an investment is. It is safer to invest in liquid assets because it is easier for an investor to get their money out of the investment.
Minimum Revenue Provision (MRP)	The minimum amount that the Council must charge to the accounts each year in order to meet the costs of repaying amounts borrowed.
Public Works Loan Board (PWLB)	PWLB is part of HM Treasury and lends money to local authorities.
Security	As assessment of the creditworthiness of a counterparty.
Treasury adviser	External consultancy firms that provide information to local authorities, including information regarding counterparty creditworthiness.
Bail-in	A bail-in takes place before bankruptcy and under current proposals, certain types of depositors would suffer a reduction in the amount of their deposit that would be returned to them whilst other classes of investor would not.
Prudential Borrowing	Borrowing that is not funded via the Revenue Support Grant or other grant aid system but rather from the Council's own resources, this is conditional that prudence is demonstrated.

Treasury Management and Prudential Indicators Frequently Asked Questions

1. What is the difference between capital expenditure and capital financing requirement?

Capital Expenditure is defined as expenditure on the acquisition, creation or enhancement of tangible fixed assets, subject to a de minimis level of £10,000. It includes expenditure on land, buildings and vehicles.

The Capital Financing Requirement (CFR) is the level of total funding that is required to fund the capital programme. The actual level of external borrowing may be lower than the CFR as a consequence of the use of internal borrowing. Internal Borrowing occurs when the Council temporarily uses its own cash resources to finance capital expenditure rather than arranging new external borrowing. This is a prudent approach when investment returns are low and counterparty risk is high.

2. What does the term 'financing' mean?

The term 'financing' does not refer to the payment of cash but the resources that will be applied to ensure that the capital payment amount is dealt with over the longer term. A number of financing options are available to Councils:-

- capital receipts (e.g. sale of land or buildings)
- contribution from revenue expenditure
- capital grant
- contribution from a third party
- borrowing
- contribution from earmarked reserves

3. Does the Council link long term loans to particular capital assets/projects?

The Council does not directly associate loans with particular capital assets/projects, as it is not best practice. The Council will, at any point in time, have a number of cash flows both positive and negative and will be managing its position in terms of its borrowings and investments in accordance with its treasury management strategy and practices. This is best practice in line with the CIPFA Prudential Code.

4. What does the term 'net borrowing should not exceed the total of the CFR' mean?

Net borrowing will remain below the CFR to ensure that the Council is only borrowing for a capital purpose. The Council is permitted to borrow in advance for a capital purpose over the medium term. The term 'total of the CFR' is the CFR of the current year plus increases in the CFR of the previous financial year and next two financial years. In other words, the total of the Council's existing assets, plus additions to assets resulting from forecast Capital Programme expenditure, e.g. vehicles. This gives the Council some headroom to borrow early for a capital purpose in order to secure low interest rates.

5. Is the cash that is being managed in-house revenue or capital?

The short term surplus cash that is managed during the year in house may be revenue or capital, e.g. the Council may receive a capital receipt in April but capital expenditure is incurred throughout the year which gives rise to increased cash balances in the early part of the financial year which is invested short term by the in house treasury team. The Council receives Council Tax which is classed as revenue income. Council Tax income is typically received in the months of April to January as Council Tax payers make 10 instalments. Therefore, the Council has less cash in the months of February and March and may need to borrow cash short-term in line with the cash flow forecast.

6. What does the Council invest in?

The Council is restricted in where it can invest its surplus funds. The restrictions are prescribed by statute (Local Government Act 2003 section 15(1) (a)). Councils are also required to have regard to supplementary investment guidance provided by the Communities and Local Government.

The Council's investments are typically short term, i.e. less than a year, and are made in sterling with institutions with high credit ratings. This is in accordance with the Treasury Management Strategy approved on the 2nd March 2017.

7. What is the role of internal and external auditors in respect of treasury management?

The focus of external auditors work is a Council's annual accounts and the financial management systems and processes that underpin them. The external audit will enquire as to whether the Treasury Management Code has been adopted and whether its principles and recommendations have been implemented and adhered to. External auditors cannot comment or advise on Council's treasury management strategy or policies

Through a process of review, the role of Internal Audit is to provide an opinion of the adequacy, application and reliability of the key internal controls put in place by management to ensure that the identified risks are sufficiently mitigated. This will assist Treasury Management in meeting its desired objectives and help to ensure that the risk of fraud and/or error is minimised. Internal Audit will also look to identify other areas of potential risk which could usefully be included as well as any inefficiencies in existing processes and procedures where improvements can be made. Treasury Management is one of the core financial systems and as such is audited on a cyclical basis.

8. What are the qualifications of Council staff involved in treasury management practices?

Staff are either working towards or have achieved professional accountancy qualifications from CIPFA (Chartered Institute of Public Finance Accountants), ACCA (Association of Chartered Certified Accountants) or CIMA (Chartered Institute of Management Accountants). Staff work closely with the Council's Treasury Management Advisors and attend regular treasury training and updates (provided by the Treasury Management Advisor).

Prudential Indicators

1.1 Capital Expenditure

Table 1 shows the revised forecast capital expenditure as reported in the latest Capital Programme Monitoring Report 2017/18 as compared to the capital expenditure originally approved by Council.

Table 1 Forecast Capital Expenditure

Forecast Capital Expenditure	2017/18 Original Indicator £M	2017/18 Latest Estimate £M
Total	19.3	8.3

The above table shows the forecast capital expenditure on new projects. The decrease in the latest estimate is mainly a consequence of slippage from 2016/17 into 2017/18, re-phasing of the Fairhaven and Church Scar Coast Protection Scheme, Sunny Bank Mill, Keenan Mill & Church Road Methodist Affordable Housing Schemes plus increased DFG grant allocation.

1.2 Capital Financing Requirement (CFR)

Table 2 shows the CFR which is the total of all of the Council's capital assets (existing and planned) less all of the Council's capital reserves. This is the amount of capital expenditure that the Council has still to finance. The CFR is normally funded by external borrowing. The Council has existing borrowing of £1.0M and there is a requirement to finance £4.9M from internal cash resources.

Table 2 Capital Financing Requirement (CFR)

	2017/18 Original Indicator £M	2017/18 Latest Estimate £M
Total CFR	5.9	5.9

The latest estimate of the CFR is in line with the original approved indicator.

1.3 Gross Borrowing

The Council needs to ensure that its total capital borrowing does not, except in the short term, exceed the total of the CFR. Table 3 below shows that the Council will be able to comply with this requirement.

There are no difficulties anticipated in keeping the long term capital borrowing below the CFR.

Table 3 Gross Borrowing

	2017/18 Original Indicator £M	2017/18 Revised Indicator £M
Gross Borrowing Indicator	1.0	1.0
Short Term Borrowing (Revenue)	0	0
Gross Borrowing (Capital)	1.0	1.0
CFR	5.9	5.9
Under Borrowing (Capital)	4.9	4.9

The Gross Borrowing Indicator is in line with the original approved indicator. The Council is forecast to be able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2017/18, in line with advice from Treasury Advisors.

1.4 Operational Boundary and Authorised Limit for External Debt

The Operational Boundary is based on the maximum external debt during the course of the year. It is not a limit and therefore may be exceeded on occasion.

The Authorised Limit for external debt represents the limit beyond which borrowing is prohibited, and is set and revised by Council. It reflects the level of borrowing which, in extreme circumstances, could be afforded in the short term. This is a statutory limit which should not be breached.

There were no breaches to the Authorised Limit and the Operational Boundary to 30th September 2017.

Table 4 Operational Boundary and Authorised Limit for External Debt

	2017/18 Original Indicator £M	2017/18 Revised Indicator £M	Note
Existing Capital Borrowing	1.0	1.0	1
Gross Borrowing Indicator	1.0	1.0	
Operational Boundary	1.0	1.0	1
Contingency	8.0	8.0	2
Authorised Limit	9.0	9.0	

Note

1. The Gross Borrowing Indicator and Operational Boundary remain unchanged as the Council is able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2017/18.

2. The Authorised Limit includes £8.0M for 'contingency' which is an amount that has been estimated to provide scope to undertake short-term borrowing in the event of a service delivery failure or emergency, e.g. a failure to collect council tax income.

1.5 Forecast Treasury Position

Table 5 shows the expected balances for investments and debt at 31st March 2018.

Table 5 Forecast Treasury Position

At 31 st March	2017/18 Estimate £M	2017/18 Revised £M
Debt (Long-Term External Borrowing)	1.0	1.0
Investments	12.2	13.4

The Council has not undertaken any new external long-term borrowing as it is funding capital expenditure with internal borrowing (see Section 3 of the report).

The forecast investments position has been updated to reflect the latest changes to the movements in reserves, provisions and capital expenditure. The increase in the level of investments at the 31st March from £12.2M to £13.4M is a consequence of the forecast timing of daily cash flows.

1.6 Forecast Interest

Table 6 shows the impact on the revenue budget of interest payable and investment income.

Table 6 Forecast Interest

Revenue Budget	2017/18 Estimate £M	2017/18 Revised £M
Interest payable on Borrowing	0.039	0.039
Investment Income	0.037	0.064

The interest receivable budget will be revised to incorporate a combination of higher cash balances and improved investment returns.

1.7 Adoption of the CIPFA Treasury Management Code

The Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 1st December 2003, and adopted the revised Code on 1st March 2010.

1.8 Limits on Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

Table 7 Interest Rate Exposures

	2017/18 Original Indicator £M	2017/18 Revised Indicator £M
Limits on fixed rate debt	1.0	1.0
Limit on variable rate debt (50% of total debt)	0.5	0.5

The limits have not changed as the Council is able to fund the capital borrowing requirement with internal borrowing and does not expect to request new external borrowing during 2017/18.

1.9 Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the financing cost (interest payable less interest receivable) as a percentage of the net revenue stream as shown in Table 8.

Table 8 Ratio of Financing Costs to Net Revenue Stream

	2017/18 Original Indicator	2017/18 Revised Indicator
Ratio	6.9%	6.7%

Financing costs are based on the amount of interest payable and receivable as a percentage of the total net revenue stream of the Council. The latest estimate is lower than the original estimate due to an improved return on investment income.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	16 NOVEMBER 2017	6
DCLG CONSULTATION ON DISQUALIFICATION CRITERIA FOR COUNCILLORS AND MAYORS			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The Department for Communities and Local Government is consulting on proposals to update criteria disqualifying individuals from standing for, or holding office as a local authority member, if they are subject to:

- The notification requirements set out in the Sexual Offences Act 2003 (commonly referred to as 'being on the sex offenders register');
- A civil injunction granted under section 1 of the Anti-social Behaviour, Crime and Policing Act 2014; or
- A Criminal Behaviour Order made under section 22 of the Anti-social Behaviour, Crime and Policing Act 2014.

Any changes to the disqualification criteria would require changes to primary legislation. The proposed changes would not act retrospectively.

RECOMMENDATION

1. To consider the consultation and consider whether the committee wish to respond to the consultation.

SUMMARY OF PREVIOUS DECISIONS

None.

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	
Delivering the services that customers expect of an excellent council (Clean and Green)	√
Working with all partners (Vibrant Economy)	
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

REPORT

1. Councillors take strategic decisions that affect the lives of their residents. They decide how best to use taxpayers' money and manage local authority resources, including property, land and assets. They also have a leading role to play in building and preserving a society where the rights and freedoms of individuals are respected. They should be community champions. It is vital, therefore, that they have the trust of the electorate.
2. The Government considers that there should be consequences where councillors fall short of behaviour of the behaviour expected of anyone in a free, inclusive and tolerant society that Existing legislation prevents individuals.
3. Existing legislation prevents individuals standing or holding office as a councillor if they have, within five years of the day of the election, or since their election, been convicted in the UK, Channel Islands or Isle of Man of any offence and have received a sentence of imprisonment, suspended or not, for a period of not less than three months without the option of a fine.
4. The Government considers that the law should be updated to reflect new options which exist to protect the public and address unlawful and unacceptable behaviour.
5. The consultation proposes updating the disqualification criteria in section 80 of the Local Government Act 1972, paragraph 9 of schedule 5b to the Local Democracy, Economic Development and Construction Act 2009, and section 21 of the Greater London Authority Act 1999 to prohibit those subject to the notification requirements (commonly referred to as 'being on the sex offenders register') and those subject to certain anti-social behaviour sanctions from being local authority members, London Assembly members or directly-elected mayors.
6. For the purposes of the consultation, 'local authority member' also extends to directly-elected mayors and co-opted members of authorities and 'local authority' means:
 - a. A county council
 - b. A district council
 - c. A London Borough council
 - d. A parish council
7. Currently, under section 80 of the Local Government Act 1972, a person is disqualified from standing as a candidate or being a member of a local authority, if they:
 - a. Are employed by the local authority;
 - b. Are employed by a company which is under the control of the local authority;
 - c. Are subject to bankruptcy orders;
 - d. Have, within 5 years before being elected, or at any time since being elected, been convicted in the UK, Channel Islands or Isle of Man of any offence and have received a sentence of imprisonment (suspended or not) for a period of not less than three months without the option of a fine;
 - e. Are disqualified under Part III of the Representation of the People Act 1983;
 - f. Are employed under the direction of various local authority committees, boards or the Greater London Authority; or
 - g. Are a teacher in a school maintained by the local authority.
8. The Government considers that anyone who is subject to sex offender notification requirements, commonly referred to as 'being on the sex offenders register', should be barred from standing for election, or holding office, as a local authority member. The period of time for which they would be barred would end once they were no longer subject to these notification requirements.
9. The Government does not propose including another type of civil order, the Sexual Risk Order, as this person would not have been convicted or cautioned of a sexual offence under the Sexual Offences Act 2003 and are not subject to notification requirements for registered sex offenders. A Sexual Risk Order does require the

individual to notify to the police their name and their home address. A Sexual Risk Order can be sought by the police against an individual who has not been convicted, cautioned etc. of an offence under Schedule 3 or Schedule 5 of the 2003 Act but who is nevertheless thought to pose a risk of harm to the public in the UK and/or children or vulnerable adults abroad.

10. The Government considers that an individual who is subject to an anti-social behaviour sanction that has been issued by the court, i.e. a Civil Injunction or a Criminal Behaviour Order, should be barred from standing for election, or holding office, as a local authority member. The period of time for which they would be barred would end once they were no longer subject to the injunction or Order.
11. The proposals in the consultation would not apply retrospectively, i.e. any incumbent local authority member who is on the sex offenders register or subject to a Civil Injunction or Criminal Behaviour Order at the time the changes come into force would not be affected.
12. Such individuals would of course be prevented from standing from re-election after the changes came into force.
13. The consultation asks the following questions;
 - a. Do you agree that an individual who is subject to the notification requirements set out in the Sexual Offences Act 2003 (i.e. is on the sex offenders register) should be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?
 - b. Do you agree that an individual who is subject to a Sexual Risk Order should not be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or the London Mayor?
 - c. Do you agree that an individual who has been issued with a Civil Injunction (made under section 1 of the Anti-social Behaviour, Crime and Policing Act 2014) or a Criminal Behaviour Order (made under section 22 of the Anti-social Behaviour, Crime and Policing Act 2014) should be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?
 - d. Do you agree that being subject to a Civil Injunction or a Criminal Behaviour Order should be the only anti-social behaviour-related reason why an individual member should be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?
 - e. Do you consider that the proposals set out in the consultation paper will have an effect on local authorities discharging their Public Sector Equality Duties under the Equality Act 2010?
 - f. Do you have any further views about the proposals set out in the consultation paper?
14. The consultation closes at 5pm on Friday 8 December 2017.

IMPLICATIONS	
Finance	None arising from this report
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	The proposals in the consultation paper have not been subject to an impact assessment by the Government at this stage, so it is not possible to be conclusive about any impact of their being eventually adopted. However, on the face of it, the proposals appear to be compatible with human rights and equalities legislation.
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Morrison	Tracy.morrison@fylde.gov.uk tel: 01253 658521	29 September 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Document name		Council office or web address

Attached documents

1. DCLG Publication – Disqualification criteria for Councillors and Mayors: Consultation on updating disqualification criteria for local authority members



Department for
Communities and
Local Government

Disqualification criteria for Councillors and Mayors

Consultation on updating disqualification criteria for local authority members



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Scope of the consultation

A consultation paper issued by the Department for Communities and Local Government on behalf of the Secretary of State

Topic of this consultation:	This consultation paper sets out the government's proposals for updating the criteria disqualifying individuals from standing for, or holding office as, a local authority member, directly-elected mayor or member of the London Assembly.
Scope of this consultation:	<p>The Department for Communities and Local Government is consulting on proposals to update the criteria disqualifying individuals from standing for, or holding office as, a local authority member, directly-elected mayor or member of the London Assembly, if they are subject to:</p> <ul style="list-style-type: none">• the notification requirements set out in the Sexual Offences Act 2003 (commonly referred to as 'being on the sex offenders register');• a civil injunction granted under section 1 of the Anti-social Behaviour, Crime and Policing Act 2014; or• a Criminal Behaviour Order made under section 22 of the Anti-social Behaviour, Crime and Policing Act 2014. <p>Any changes to the disqualification criteria would require changes to primary legislation, in particular the Local Government Act 1972, the Local Democracy, Economic Development and Construction Act 2009, and the Greater London Authority Act 1999.</p> <p>The proposed changes would not act retrospectively.</p>
Geographical scope:	The proposals in this consultation paper apply to certain authorities in England, including local authorities, combined authorities and the Greater London Authority. They do <u>not</u> apply to authorities in Wales, Scotland or Northern Ireland.
Impact Assessment:	No impact assessment has been produced for this consultation.

Basic Information

To:	This consultation is open to everyone. We particularly seek the views of individual members of the public, prospective and current councillors and those bodies that represent the interests of local authorities and councillors at all levels.
Body responsible for the consultation:	The Local Government Stewardship Division in the Department for Communities and Local Government is responsible for conducting the consultation.
Duration:	The consultation will begin on Monday 18 September 2017. The consultation will run for 12 weeks and will close on Friday 8 December 2017. All responses should be received by no later than 5pm on Friday 8 December 2017.
Enquiries:	<p>If you have any enquiries, please contact:</p> <p>Stuart Young email: stuart.young@communities.gsi.gov.uk</p> <p>DCLG Tel: 0303 44 40000</p> <p>How to respond:</p> <p>Please respond by email to: Section80consultation@communities.gsi.gov.uk</p> <p>Alternatively, please send postal responses to:</p> <p>Stuart Young Department for Communities and Local Government 2nd Floor, NE, Fry Building 2 Marsham Street London SW1P 4DF</p> <p>Responses should be received by 5pm on Friday 8 December 2017.</p>
How to respond:	<p>You can respond by email or by post.</p> <p>When responding, please make it clear which questions you are responding to.</p> <p>When you reply it would be very useful if you could confirm whether you are replying as an individual or submitting an</p>

	<p>official response on behalf of an organisation, and include:</p> <ul style="list-style-type: none"> - your name - your position (if applicable) - the name and address of your organisation (if applicable) - an address, and - an email address (if you have one)
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Introduction

1. Local authority members (i.e. councillors), mayors of combined authorities, members of the Greater London Assembly and the London Mayor take strategic decisions that affect all our lives. They decide how best to use taxpayers' money and manage local authority resources, including property, land and assets. They also have a leading role to play in building and preserving a society where the rights and freedoms of individuals are respected. They should be community champions. It is vital, therefore, that they have the trust of the electorate.
2. The Government considers that there should be consequences where councillors, mayors and London Assembly members fall short of the behaviour expected of anyone in a free, inclusive and tolerant society that respects individuals and society generally, and where this has led to enforcement action against an individual.
3. Existing legislation prevents individuals standing, or holding office, as a local authority member, London Assembly member or directly-elected mayor if they have, within five years of the day of the election, or since their election, been convicted in the UK, Channel Islands or Isle of Man of any offence and have received a sentence of imprisonment, suspended or not, for a period of not less than three months without the option of a fine.
4. The Government considers that the law should be updated to reflect new options which exist to protect the public and address unlawful and unacceptable behaviour.
5. This consultation proposes updating the disqualification criteria in section 80 of the Local Government Act 1972, paragraph 9 of schedule 5B to the Local Democracy, Economic Development and Construction Act 2009, and section 21 of the Greater London Authority Act 1999 to prohibit those subject to the notification requirements (commonly referred to as 'being on the sex offenders register') and those subject to certain anti-social behaviour sanctions from being local authority members, London Assembly members or directly-elected mayors.
6. This consultation does not propose changing the disqualification criteria for Police and Crime Commissioners (PCCs). For the purposes of this consultation, 'local authority member' also extends to directly-elected mayors and co-opted members of authorities, and 'local authority' means:
 - a county council
 - a district council
 - a London Borough council
 - a parish council

The disqualification criteria in section 80 of the Local Government Act 1972, paragraph 9 of schedule 5B to the Local Democracy, Economic Development and Construction Act 2009, and section 21 of the Greater London Authority Act 1999 do not cover the Council of the Isles of Scilly or the Common Council of the City of

London. Therefore, the proposals in this consultation do not extend to these councils.

The Current Disqualification Criteria

7. Under section 80 of the Local Government Act 1972, a person is disqualified from standing as a candidate or being a member of a local authority, if they:
 - are employed by the local authority;
 - are employed by a company which is under the control of the local authority;
 - are subject to bankruptcy orders;
 - have, within 5 years before being elected, or at any time since being elected, been convicted in the UK, Channel Islands or Isle of Man of any offence and have received a sentence of imprisonment (suspended or not) for a period of not less than three months without the option of a fine;
 - are disqualified under Part III of the Representation of the People Act 1983;
 - are employed under the direction of various local authority committees, boards or the Greater London Authority; or
 - are a teacher in a school maintained by the local authority.
8. Paragraph 9 of schedule 5B to the Local Democracy, Economic Development and Construction Act 2009 sets out the criteria on disqualification from standing as, or being, a directly-elected mayor of a combined authority. A person is disqualified from being elected or holding office as the mayor of a combined authority if they:
 - hold any paid office or employment (other than the office of mayor or deputy mayor), including any appointments or elections made by or on behalf of the combined authority or any of the constituent councils of the combined authority;
 - are subject to bankruptcy orders;
 - have, within 5 years before being elected, or at any time since being elected, been convicted in the UK, Channel Islands or Isle of Man of any offence and have received a sentence of imprisonment (suspended or not) for a period of not less than three months without the option of a fine; or
 - is disqualified for being elected or for being a member of a constituent council under Part 3 of the Representation of the People Act 1983.
9. Section 21 of the Greater London Authority Act 1999 disqualifies someone from being the Mayor or an Assembly member if they:
 - are a member of staff of the Authority;
 - hold an office that disqualifies the holder from being Mayor or an Assembly member;
 - are subject to bankruptcy orders are bankrupt or have made a composition agreement with creditors;
 - have, within 5 years before being elected, or at any time since being elected, been convicted in the UK, Channel Islands or Isle of Man of any offence and have received a sentence of imprisonment (suspended or not) for a period of not less than three months without the option of a fine;
 - are disqualified under section 85A or Part III of the Representation of the People Act 1983 from being the Mayor or an Assembly member; or

- are a paid officer of a London borough council who is employed under the direction of:
 - a council committee or sub-committee whose membership includes the Mayor or someone appointed on the nomination of the Authority;
 - a joint committee whose membership includes a member appointed on the nomination of the council and a member appointed on the nomination of the Authority;
 - the council executive, or one of its committees, whose membership includes the Mayor or someone appointed on the nomination of the Authority;
 - a member of the council's executive who is the Mayor or someone appointed on the nomination of the Authority.

Sexual Offences

10. The Government considers that anyone who is subject to sex offender notification requirements, commonly referred to as 'being on the sex offenders register', should be barred from standing for election, or holding office, as a local authority member, directly-elected mayor or member of the London Assembly. The period of time for which they would be barred would end once they were no longer subject to these notification requirements.
11. An individual can become subject to notification requirements by committing certain criminal acts or being issued with certain types of civil order:
- Being subject to sex offender notification requirements is an automatic consequence of being cautioned or convicted of a sexual offence listed in Schedule 3 of the Sexual Offences Act 2003 (see: <http://www.legislation.gov.uk/ukpga/2003/42/schedule/3>).
 - Sexual Harm Prevention Orders are civil orders intended to protect the public from offenders convicted of a sexual or violent offence who pose a risk of sexual harm to the public by placing restrictions on their behaviour. Offenders who are subject to Sexual Harm Prevention Orders become subject to notification requirements.
 - Notification Orders are civil orders intended to protect the public in the UK from the risks posed by sex offenders who have been convicted, cautioned, warned or reprimanded for sexual offences committed overseas. Such offenders may be British or foreign nationals convicted, cautioned etc. abroad of a relevant offence. Offenders who are subject to Notification Orders become subject to notification requirements.
12. The duration of the notification requirement period (i.e. how long a person is on the sex offenders register) is set out in the Sexual Offences Act 2003 and in the table below. The courts have no discretion over this.

Where the (adult) offender is:	The notification period is:
Sentenced to imprisonment for life or to a term of 30 months or more	An indefinite period
Detained in a hospital subject to a restriction order	An indefinite period
Sentenced to imprisonment for more than 6 months but less than 30 months imprisonment	10 years
Sentenced to imprisonment for 6 months or less	7 years
Detained in a hospital without being subject to a restriction order	7 years
Cautioned	2 years

Conditional discharge	The period of the conditional discharge
Any other description (i.e. community sentence, fine)	5 years

These periods are halved for offenders who are under 18 on the date of the caution, conviction or finding, as defined within the 2003 Act.

13. Offenders who are subject to the notification requirements must notify the police of (amongst other things) their: name, date of birth, national insurance number, home address, passport number, bank account and credit card details. They must do this annually, any time the details change or when they travel abroad. They must also notify the police when they stay or reside with a child for more than 12 hours.
14. Further information on the Sexual Offences Act 2003 can be found at: <https://www.gov.uk/government/publications/guidance-on-part-2-of-the-sexual-offences-act-2003>.
15. The Government does not propose including another type of civil order, the Sexual Risk Order, as this person would not have been convicted or cautioned of a sexual offence under the Sexual Offences Act 2003 and are not subject to notification requirements for registered sex offenders. A Sexual Risk Order does require the individual to notify to the police their name and their home address. A Sexual Risk Order can be sought by the police against an individual who has not been convicted, cautioned etc. of an offence under Schedule 3 or Schedule 5 of the 2003 Act but who is nevertheless thought to pose a risk of harm to the public in the UK and/or children or vulnerable adults abroad.

Q1. Do you agree that an individual who is subject to the notification requirements set out in the Sexual Offences Act 2003 (i.e. who is on the sex offenders register) should be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?

Q2. Do you agree that an individual who is subject to a Sexual Risk Order should not be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?

Anti-Social Behaviour

16. Anti-social behaviour blights people's lives and can leave victims feeling powerless. These are a range of powers to the courts, police and local authorities to tackle the problems in the table below.

17. The Government considers that an individual who is subject to an anti-social behaviour sanction that has been issued by the court, i.e. a Civil Injunction or a Criminal Behaviour Order, should be barred from standing for election, or holding office, as a local authority member, directly-elected mayor or member of the London Assembly. The period of time for which they would be barred would end once they were no longer subject to the injunction or Order.

Anti-Social Behaviour (ASB) Powers

Type	Power	Description
Issued by the court to deal with individuals	Civil Injunction	A civil order with a civil burden of proof. The injunction can include both prohibitions and positive requirements to tackle the underlying causes of the behaviour. Applications can be made by police, councils, social landlords, Transport for London, Environment Agency, Natural Resources Wales and NHS Protect.
	Criminal Behaviour Order	A court order available on conviction. The order can be issued by any criminal court against a person who has been convicted of an offence. It is aimed at tackling the most persistently anti-social individuals who are also engaged in criminal activity. The order can include both prohibitions and positive requirements. Applications are made by the prosecution, in most cases by the Crown Prosecution Service, either at its own initiative or following a request from the police or council.
Used by the police to move problem groups or individuals on	Dispersal Power	A flexible power which the police can use in a range of situations to disperse anti-social individuals and provide immediate short-term respite to a local community. It allows the police to deal instantly with someone's behaviour and prevent it escalating. The use of the power must be authorised by an officer of at least inspector rank, to be used in a specific locality for up to 48 hours or on a case by case basis. This is to ensure that the power is used fairly and proportionately and only in circumstances in which it is necessary.

Issued by councils, the police and social landlords to deal with problem places	Community Protection Notice	A notice designed to deal with particular problems which negatively affect the community's quality of life. The Notice can be issued to anyone aged 16 or over, businesses or organisations. This is a two-stage power and a written warning has to be issued first. Failure to stop the behaviour or take action to rectify the problem would lead to the notice being issued. The power can be used by councils, police and social landlords (if designated by the council).
	Public Spaces Protection Order	Designed to deal with anti-social behaviour in a public place and apply restrictions to how that public space can be used to stop or prevent anti-social behaviour. The order is issued by the council. Before the order can be made, the council must consult with the police and whatever community representatives they think appropriate, including regular users of the public space. Before the order is made the council must also publish the draft order.
	Closure Power	A fast and flexible two-stage power. Can be used to quickly close premises which are being used, or likely to be used, to commit nuisance or disorder, including residential, business and licensed premises. The police and councils are able to issue Closure Notices for up to 48 hours and the courts are able to issue Closure Orders for up to six months if satisfied that the legal tests have been met. Following the issue of a Closure Notice, an application must be made to the magistrates' court for a closure order.

Q3. Do you agree that an individual who has been issued with a Civil Injunction (made under section 1 of the Anti-social Behaviour, Crime and Policing Act 2014) or a Criminal Behaviour Order (made under section 22 of the Anti-social Behaviour, Crime and Policing Act 2014) should be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?

Q4. Do you agree that being subject to a Civil Injunction or a Criminal Behaviour Order should be the only anti-social behaviour-related reasons why an individual should be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?

Retrospection

18. Legislation does not generally apply retrospectively, the principle being that the law should operate in a clear and certain manner and the public is entitled to know the state of the law at a particular time.
19. The proposals in this consultation would not apply retrospectively, i.e. any incumbent local authority member, directly-elected mayor or member of the London Assembly, who is on the sex offenders register or subject to a Civil Injunction or Criminal Behaviour Order at the time the changes come into force would not be affected.
20. Such individuals would of course be prevented from standing for re-election after the changes came into force.

Questions

Q1. Do you agree that an individual who is subject to the notification requirements set out in the Sexual Offences Act 2003 (i.e. is on the sex offenders register) should be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?

Q2. Do you agree that an individual who is subject to a Sexual Risk Order should not be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or the London Mayor?

Q3. Do you agree that an individual who has been issued with a Civil Injunction (made under section 1 of the Anti-social Behaviour, Crime and Policing Act 2014) or a Criminal Behaviour Order (made under section 22 of the Anti-social Behaviour, Crime and Policing Act 2014) should be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?

Q4. Do you agree that being subject to a Civil Injunction or a Criminal Behaviour Order should be the only anti-social behaviour-related reasons why an individual should be prohibited from standing for election, or holding office, as a member of a local authority, mayor of a combined authority, member of the London Assembly or London Mayor?

Q5. Do you consider that the proposals set out in this consultation paper will have an effect on local authorities discharging their Public Sector Equality Duties under the Equality Act 2010?

Q6. Do you have any further views about the proposals set out in this consultation paper?

About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Communities and Local Government will process your personal data in accordance with DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.
Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](#).

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	16 NOVEMBER 2017	7
ANNUAL GOVERNANCE STATEMENT – ACTION PLAN			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY OF INFORMATION

At the meeting held on 20 July, the committee received an action plan intended to meet the three issues identified in the 2017 Annual Governance Statement. The committee resolved to note the Action Plan and receive an updated report on the matter at this meeting. The table in the attached note sets out the current position in relation to each of the three items.

SOURCE OF INFORMATION

Director of Resources.

LINK TO INFORMATION

[Annual Governance Statement – Action Plan](#)

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

The committee requested the update at a previous meeting.

FURTHER INFORMATION

Ian Curtis (ianc@fylde.gov.uk 01253 658506).

INFORMATION NOTE

ANNUAL GOVERNANCE STATEMENT – ACTION PLAN

Action Identified	How the action will be met	When the action will be met	Current position
Adopting a revised Code of Corporate Governance to reflect the 2016 Delivering Good Governance Framework	The Corporate Governance Group has reviewed the revised framework and developed new framework criteria. This will be presented to a forthcoming meeting of the Audit and Standards Committee	September 2017	Completed. The committee adopted the revised Code of Corporate Governance at its meeting on September 21.
Review and update business continuity arrangements and plans	Business Impact Analysis (risk assessments) will be conducted in August Critical functions then identified and plans developed to follow	November 2017	Completed, but with resulting work ongoing. The assessments were conducted in August. This identified six critical functions, and also a need to revise and simplify the action plan template. The six critical areas are developing plans and piloting a new template. The plans are on target for completion by the end of 2017.
A refresh of data security and information governance arrangements across the authority	Information governance and data security internal audit report is in draft with improvement actions contained therein Refresh of data protection training arranged for Management Team and Heads of Service together with Customer Services Team	March 2018	The audit report was issued in July and contained nineteen actions, having a range of completion dates to March 2018. The need to refresh data protection training has become compounded with the need to make arrangements to comply with the new General Data Protection Regulation ('GDPR') and Data Protection Bill, which will come into force next year. Data protection training in the context of GDPR and the bill has been rolled out to Management Team and will be continued across the organisation.

FURTHER INFORMATION AVAILABLE FROM

Contact (Ian Curtis, 01253 658506, ianc@fylde.gov.uk).