

RIBBLE VALLEY BOROUGH COUNCIL

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Dear Councillor

The next meeting of the **POLICY AND FINANCE COMMITTEE** is at **6.30pm on TUESDAY, 22 NOVEMBER 2011** in the **TOWN HALL, CHURCH STREET, CLITHEROE.**

I do hope you can be there.

Yours sincerely

CHIEF EXECUTIVE

To: Committee members (copy for information to all other members of the Council)
Directors
Press

AGENDA

Part 1 – items of business to be discussed in public

1. Apologies for absence.
- ✓ 2 (a). Minutes of the meetings held on 27 September 2011 – copy enclosed.
- ✓ (b). Minutes of Emergency Committee dated 6 October 2011 – copy enclosed.
3. Matters arising (if any).
4. Declarations of Interest (if any).
5. Public Participation (if any).
6. References from Overview and Scrutiny Committee (if any).

DECISION ITEMS

- ✓ 7. Performance Reward Grants – report of Chief Executive – copy enclosed.

- ✓ 8. Fees and Charges Review – report of Director of Resources – copy enclosed.
- ✓ 9. Review of Polling Districts and Polling Places – report of Chief Executive – copy enclosed.
- ✓ 10. Financial Regulations – report of Director of Resources – copy enclosed.
- ✓ 11. Surveillance Commissioners Inspection Report dated 23 August 2011 – report of the Solicitor – copy enclosed.
- ✓ 12. Treasury Management Monitoring 2011/12 – report of Director of Resources – copy enclosed.
- 12a. References from Committees (if any).

INFORMATION ITEMS

- ✓ 13. Rural Development Programme for England Activity Report – report of Chief Executive – copy enclosed.
- ✓ 14. Calculation of Council Tax Base 2012/13 – report of Director of Resources – copy enclosed.
- ✓ 15. Regeneration and Economic Development Update – report of Chief Executive – copy enclosed.
- ✓ 16. Revenues and Benefits General Report – report of Director of Resources – copy enclosed.
- ✓ 17. Revenue Monitoring 2011/12 – report of Director of Resources – copy enclosed.
- ✓ 18. Overall Revenue Monitoring 2011/12 – report of Director of Resources – copy enclosed.
- ✓ 19. Community Safety Partnership – update reports of Chief Executive – copy enclosed.
- ✓ 20. Capital Monitoring 2011/12 – report of Director of Resources – copy enclosed.
- ✓ 21. Overall Capital Monitoring 2011/12 – report of Director of Resources – copy enclosed.
- ✓ 22. Minutes of Budget Working Group held on 9 August and 19 September 2011 – copy enclosed.
- ✓ 23. Report from Representatives on Outside Bodies:
Citizens' Advice Bureau – report from Councillor Lois Rimmer – copy enclosed.

Part II - items of business **not** to be discussed in public

- ✓ 24. Council Restructure – report of Chief Executive – copy enclosed.
- ✓ 25. Enterprise Zone at British Aerospace – report of Chief Executive – copy to follow.
- ✓ 26. NNDR/Council Tax/Housing Benefit and Council Tax Benefit Write-offs – report of Director of Resources – copy enclosed.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY, 22 NOVEMBER 2011
title: RIBBLE VALLEY STRATEGIC PARTNERSHIP (RVSP) PERFORMANCE
REWARD GRANT (PRG) AND SECOND HOMES COUNCIL TAX
PROJECTS
submitted by: CHIEF EXECUTIVE
principal author: DAVID INGHAM – PARTNERSHIP OFFICER

1 INTRODUCTION AND PURPOSE

1.1 This report provides an update on existing projects.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions – The corporate ambitions of the council are closely linked with those of the Ribble Valley Strategic Partnership (RVSP) and the Sustainable Community Strategy (SCS). The projects funded from the PRG and the Second Homes Council Tax all contribute to the achievement of the objectives contained within the SCS and its associated action plans.
- Community Objectives – The Sustainable Community Strategy (SCS) and its associated action plans form the basis of the sense of place and common vision of the communities in the Ribble Valley. The projects are predominantly from the community.
- Corporate Priorities – In its role as community leader the Council has been instrumental in developing and shaping the SCS. The projects, which are to be funded by the PRG, are all consistent with the SCS.
- Other Considerations – None.

2 BACKGROUND

2.1 Members will recall that the endorsement of the 2011/12 PRG projects was deferred from the previous meeting of the Committee, whilst further information on the existing, agreed projects was brought to committee. One of the projects was agreed, relating to the Clitheroe Castle Grounds Activities project which is currently being implemented. The remaining projects will be brought to a future meeting of the Committee.

3 PERFORMANCE REWARD GRANT

3.1 PRG is money payable by Central Government for the achievement of targets contained within the LAA.

3.2 The Government savings package for 2010/11 included savings of LAA Reward Grant of £125m nationally. The reasons behind this were that the focus on reducing the deficit, whilst protecting front line services, meant that the Government looked carefully at programmes such as LAA Reward and concluded that the programme should be reduced. The announcement stated that "Areas will receive 50% of the reward achieved on any target".

3.3 Areas with LAAs that ran from 2006-2009 (including the Lancashire Partnership), had already submitted their claims, 50% of which was paid in the Last financial year. The whole claim for the Lancashire Partnership was £19.1m, of which 50%, £9.5m was received in 2009/10. It was agreed by the Lancashire Partnership that 40% of the LAA Reward Grant would be allocated to the Lancashire Partnership, with the remaining 60% divided equally between the 12 District LSPs. Ribble Valley received this first tranche, which amounted to £489,000. The status of these projects is outlined in Appendix 1.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications

- Resources – The allocation and monitoring of the PRG/RVSP budget requires a degree of staff time. None of the proposed expenditure requires the use of currently unallocated RVBC budgets.
- Technical, Environmental and Legal – The Policy and Finance Committee has the role of ratifying the recommendations of the RVSP Board on the spending of the funds.
- Political – Ratification of the funding allocation offers the Council the opportunity to have a major influence on projects which address issues of community concern and service delivery including those beyond its direct control.
- Reputation – The Council is a key member of the Strategic Partnership and its association with the projects will enhance the Council's reputation.

5 **RECOMMENDED THAT COMMITTEE**

5.1 Note the status of projects allocated funding from the Performance Reward Grant in 2010/11 as set out in Appendix 1.

CHIEF EXECUTIVE

For further information please ask for David Ingham, extension 4549.

APPENDIX 1 STATUS OF PERFORMANCE REWARD GRANT FUNDED PROJECTS 2010/11

Project	Amount Allocated	Spent & Committed	Comments
Management Costs	£36,000	0	To be drawn down.
Tourist Information Kiosk	£80,000	0	Matching funding not available so far Funds "ring fenced" for Tourism Projects
Community Food Growing	£50,000	£30,000 (to be spent by 31/3/12) £20,000 (to be spent by 31/3/12)	Plans developed for Primary and High School sites Plans developed for land share sites at Sabden, Calderstones, Whalley and Gisburn Detailed site requests currently being drawn up.
Mobile Resource Centre (STAN)	£75,000	£16,876 (2010/11) £17,000 (Year2) £17,000 (Year3)	Three year project now entering second year. Working budget of £8,000 per year likely to be underspent
Hydro Power Generation Survey	£15,000	£15,000	Research completed
Gisburn Mountain Bikes Trails	£35,000	£35,000 (to be paid by 31/3/12)	Planning permission for site granted, claim for funding received
Domestic Violence Worker	£42,000	£42,000	In final year of two year funding
Ribble Valley Village Amenities Development	£100,000	£4,000 £10,000 £5,000 £6,000 £5,000 £7,500 £6,500 £10,000 £10,000 £10,000 £5,000 £5,000 £10,000 £6,000	<u>Completed schemes</u> Chatburn - Play Area Chipping – Play Area Gisburn - Play Area Longridge- Station Buildings Rimington – Village Hall Newton – Village Hall Downham – Village Hall Sabden- Village Hall Mellor Brook - Village Hall <u>Schemes to Completed by March 2012</u> Dunsop Bridge – Village Footpath Ribchester – Village Hall Ribchester – Play Area Grindleton - Pavilion Unallocated
Whalley Playing Fields Sports Facility	£8,000	0	Project team established preparing scope of feasibility study anticipated completed by March 2012
One Stop Voluntary Sector Hub Centre in Clitheroe	£5,000	0	Unlikely to be spent by March 2012
Ribble Valley Foods Event	£12,500	£12,500	Two street markets completed

Strategy			
Air Pollution Monitoring	£5,500	0	Money no longer needed as production has been scaled back Funds to be re allocated to new projects
Dog Waste Bins	£13,370	£13,370	Project implemented

Summary

Amount Spent	£163,746
Amount Committed	£302,124
Amount available for re-allocation	£11,500
Unallocated from last year	£11,630
Total	£489,000

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 22 NOVEMBER 2011
title: REVIEW OF FEES AND CHARGES
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To seek member approval on proposals to increase this committee's fees and charges with effect from 1 April 2012.
- 1.2 These proposals are the first stage in the review of this committee's budget for the forthcoming 2012/13 financial year.

2 BACKGROUND

- 2.1 The Council's fees and charges are reviewed on an annual basis as part of the budget setting process.
- 2.2 This report requests that members consider proposals for the increase in fees and charges for this committee's services. Such charges would be implemented with effect from the 1 April 2012 and would operate for the duration of the 2012/13 financial year.
- 2.3 The council's latest budget forecast allows for a 2.5% increase in the level of income raised from fees and charges. The review aims to increase budgeted income for 2012/13 by this amount as a minimum. Proposed charges are rounded up to the nearest 5p to minimise any problems with small change. This inevitably impacts on the individual percentage rise for each separate charge.
- 2.4 As members will be aware, for 2012/13 the council must identify savings in the region of £600,000. In addressing the savings needed through the service reviews that have recently taken place, some proposals will have an impact on the fees and charges proposals. As the service review proposals are currently under consultation, they have been disregarded for the purposes of the reports that have been sent to service committees.

3 REVIEW OF THE FEES AND CHARGES

- 3.1 Each year as part of the budget process a review of our Fees and Charges is undertaken with a view to implementing increases from 1 April. This review is coordinated by financial services, working together with heads of service and budget holders.

- 3.2 Following discussions a proposed set of fees and charges for implementation from 1 April 2012 has been produced for this committee and is shown at Annex 1. This annex provides details of:
- the current charge for 2011/12
 - an estimate of the level of 2011/12 income attributable to each charge
 - the proposed charges for implementation from 1 April 2012
 - an indication of the potential income that may be achieved in 2012, should the proposals be agreed
 - the proposed percentage increase from 2011/12 to 2012/13
- 3.3 The largest proportion of income for this committee from fees and charges is from the issues of summonses. This was last increased from the 1 April 2011, from £50 to £60. It is not proposed to increase this particular charge again next financial year due to the sizeable increase in 2011/12. The last time that the charge was increased for summonses, prior to 1 April 2011, was 1 April 2008.
- 3.4 For the meals on wheels service (WRVS), the proposal is to freeze the price at £1.50. The charge was last increased in April 2005, prior to which the charge was £1.25. As members will be aware from a report submitted in June 2011, the user numbers for the meals on wheels service through the WRVS has been decreasing, as increasingly referrals through Lancashire County Council have been to a company called iCare rather than the WRVS. Lancashire County Council is currently meeting with the WRVS to discuss this lower level of referrals.
- 3.5 The indication of potential income which is shown throughout Annex 1 is provided for guidance purposes only and is based on past and current activity levels. No account is taken of any change in service use which may be influenced by a change in charge levels.
- 3.6 Work is still underway on forecasting income budget levels for 2012/13 and such budget proposals will be reported back to this committee in January 2012 for approval.

4 CONCLUSION

- 4.1 Substantial work has been undertaken by financial services, heads of service and budget holders in reviewing the fees and charges operated by this committee. This review has now been completed as part of the budget process, for implementation from 1 April, should the proposals be approved.
- 4.2 Whilst the proposal is that the charge for court summonses remains unchanged, it was increased substantially for the current financial year.

5 RECOMMENDATION THAT COMMITTEE

- 5.1 Consider the charges at Annex 1 and approve them for implementation with effect from the 1 April 2012, for the 2012/13 financial year.

HEAD OF FINANCIAL SERVICES

PF72-11/LO/AC
15 November 2011

POLICY AND FINANCE COMMITTEE – PROPOSED FEES AND CHARGES FOR IMPLEMENTATION FROM 1 APRIL 2012

LOCAL LAND CHARGES - LANDC	Ledger Code	VAT Liability	Current Charge 2011/12 £	Budgeted Income Net of VAT for 2011/12 £	Proposed Charges for 2012/13 £	Indication of Potential Income Net of VAT for 2012/13 £	Percentage Increase in Charge %
Search Certificate	LANDC/8408z	Non Vatable	17.50	12,390	17.95	12,710	2.57%
Part I Enquiries	LANDC/8408z	Non Vatable	93.00	48,990	95.35	50,230	2.53%
Part II Enquiries	LANDC/8408z	Non Vatable	12.50	6,380	12.80	6,530	2.40%
Part II (Question 22)	LANDC/8408z	Non Vatable	21.00	2,990	21.55	3,070	2.62%
Express Service	LANDC/8408z	Non Vatable	145.00	2,550	148.65	2,610	2.52%
Personal (Imposed by Statute)	LANDC/8408z	Non Vatable	22.00	Not applicable	Ceased	Not applicable	Not applicable

COUNCIL TAX AND NATIONAL NON DOMESTIC RATES - CLTAX	Ledger Code	VAT Liability	Current Charge 2011/12 £	Budgeted Income Net of VAT for 2011/12 £	Proposed Charges for 2012/13 £	Indication of Potential Income Net of VAT for 2012/13 £	Percentage Increase in Charge %
Issue of Summons (Agreed with Magistrates' Court)	CLTAX/8714z	Non Vatable	60.00	78,120	60.00	78,120	0.00%

POLICY AND FINANCE COMMITTEE – PROPOSED FEES AND CHARGES FOR IMPLEMENTATION FROM 1 APRIL 2012

MEALS ON WHEELS - Various	Ledger Code	VAT Liability	Current Charge 2011/12 £	Budgeted Income Net of VAT for 2011/12 £	Proposed Charges for 2012/13 £	Indication of Potential Income Net of VAT for 2012/13 £	Percentage Increase in Charge %
Meals on Wheels charge per meal	8203m	Non Vatable	1.50	10,550	1.50	10,550	0.00%

CIVIC SUITE - CIVST All organisiatons to be charged without exception	Ledger Code	VAT Liability	Current Charge 2011/12 £	Budgeted Income Net of VAT for 2011/12 £	Proposed Charges for 2012/13 £	Indication of Potential Income Net of VAT for 2012/13 £	Percentage Increase in Charge %
COMMITTEE ROOMS 1 AND 2							
<i>Charity or Recognised Community Organisation</i>	- Session (09.00 - 13.00 or 13.00 – 18.00)	CIVST/8520I	30.00	350	31.00	360	3.33%
	- All Day	CIVST/8520I	42.50	420	44.00	430	3.53%
<i>Commercial Organisations</i>	- Session (09.00 - 13.00 or 13.00 – 18.00)	CIVST/8520I	60.00	0	61.50	0	2.50%
	- All Day	CIVST/8520I	85.00	1,480	87.00	1,510	2.35%
COUNCIL CHAMBER							
<i>Charity or Recognised Community Organisation</i>	- Session (09.00 - 13.00 or 13.00 – 18.00)	CIVST/8520I	67.50	1,120	69.00	1,140	2.22%
	- All Day	CIVST/8520I	100.00	220	102.50	230	2.50%
<i>Commercial Organisations</i>	- Session (09.00 - 13.00 or 13.00 – 18.00)	CIVST/8520I	135.00	0	138.50	0	2.59%
	- All Day	CIVST/8520I	200.00	870	205.00	890	2.50%
FOYER AREA ONLY							
<i>Charity or Recognised Community Organisation</i>	- Session (09.00 - 13.00 or 13.00 – 18.00)	CIVST/8520I	17.50	0	18.00	0	2.86%
	- All Day	CIVST/8520I	25.00	0	26.00	0	4.00%
<i>Commercial Organisations</i>	- Session (09.00 - 13.00 or 13.00 – 18.00)	CIVST/8520I	35.00	0	36.00	0	2.86%
	- All Day	CIVST/8520I	50.00	0	51.50	0	3.00%

POLICY AND FINANCE COMMITTEE – PROPOSED FEES AND CHARGES FOR IMPLEMENTATION FROM 1 APRIL 2012

Photocopying - Corporate Charges		Ledger Code	VAT Liability	Current Charge 2011/12 £	Budgeted Income Net of VAT for 2011/12 £	Proposed Charges for 2012/13 £	Indication of Potential Income Net of VAT for 2012/13 £	Percentage Increase in Charge %
Photocopying	- A4 First Page	8227n	VAT Inclusive	0.20	300	0.20	300	0.00%
	- A4 Continuation Sheet	8227n	VAT Inclusive	0.20		0.20		0.00%
	- A1/A0 Plan	8227n	VAT Inclusive	10.60		10.50		-0.94%
	- A3 Copies	8227n	VAT Inclusive	2.00		2.00		0.00%

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No. 9

meeting date: TUESDAY, 22 NOVEMBER 2011
 title: REVIEW OF POLLING DISTRICTS AND POLLING PLACES
 submitted by: CHIEF EXECUTIVE
 principal author: DIANE RICE – HEAD OF LEGAL AND DEMOCRATIC SERVICES

1 PURPOSE

1.1 The Electoral Administration Act 2006 (the Act) introduced a duty on all Local Authorities to review their UK Parliamentary Polling Districts and Polling Places at least once every 4 years. The Council's current review should be completed by the 31 December 2011. Whilst the review will require the approval of Full Council, this matter is referred to Policy and Finance Committee in order that its recommendations, as the Committee with responsibility for electoral matters can be referred to Full Council.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions - }
 - Community Objectives - }
 - Corporate Priorities - }
 - Other Considerations - }
- The Council aims to be a well managed Council. The electoral process is a vital part of the Council's role within the community it serves.

2 BACKGROUND

2.1 The Act provides that the requirement to review polling districts and polling places relates solely to Parliamentary elections. Constituency boundaries are not the subject of the review, which is confined to the division of Parliamentary constituencies into Polling Districts and Polling Places. The following definitions are given in the Act:

- A Polling District is the area created by the division of a Constituency, Ward or Division into small parts within which a Polling Place can be determined which is convenient to electors.
- Polling Place – the building or area in which Polling Stations will be selected by the Returning Officer.
- Polling Station – the room or building where the Poll takes place chosen by the Returning Officer for the Election and publicised on the Notice of Poll.

2.2 Whilst the review is confined to Polling Districts and Polling Places for Parliamentary Constituencies, the Electoral Commission advises that Polling District and Places for Local Government Elections should be the same as for parliamentary elections. There is a requirement to consult the Acting Returning Officer (Parliamentary Elections). The Returning Officer for Local Government Elections in the Ribble Valley Borough Council area is the Council's Chief Executive, he is also the Acting Returning Officer.

2.3 The requirement to seek the formal comments of the Acting Returning Officer, includes a requirement to publish these within 30 days of receipt.

- 2.4 The process for carrying out the review which has been undertaken by the Council's Electoral and Licensing Officer is as follows:
1. Giving Notice of the Review: There is a requirement that the Notice be publicised at the Council Offices and on the website.
 2. Inviting comments from Stakeholders: Following publication of the Council's Notice in July 2011, with the requirement that representations should be received by 31 August 2011, comments were invited from organisations and individuals:
 3. Formulating proposals: The Guidance suggests that the approach taken should be to commence with Polling Districts and then Polling Places can be allocated within the Districts; it is recommended that the Districts follow Parish Wards.
- 2.5 The Guidance issued by the Electoral Commission advises that as part of the review process, Local Authorities should:
1. seek to ensure that all Electors in the Constituency have such reasonable facilities for voting as are practicable in the circumstances;
 2. seek to ensure that so far as is reasonable and practicable, Polling Places are accessible for those who are disabled; and
 3. when considering a review in a designation of a Polling Place, have regard to the accessibility needs of disabled persons.
- 2.6 The Guidance recommends that an evidence base is assembled to include information such as electorate figures, proposed areas of new development, record of comments or complaints or any other relevant information eg from Polling Station Managers, Premises Managers.
- 2.7 The Guidance is helpful. However, a small Authority such as Ribble Valley, where the Elections and Electoral Registration duties are carried out by the same officer, ensures that officer has a good working knowledge of demographic changes within Polling Districts and their impact on Polling during a Election, and is familiar with all Polling Places, their limitations, the mitigation measures which can be put in place, and the availability of other premises within the Polling District.
- 2.8 Amongst the factors that should be considered when reviewing existing Polling Places or assessing new Polling Places, the following are suggested:
- location eg accessibility within the Polling District, presence of physical barriers such as steep hills etc;
- size – can the Polling Place accommodation more than one station if required?;
- suitability – eg is the building likely to be readily available in the event of any unscheduled elections. This latter requirement is a reflection of the fact that the review anticipates that specific Polling Places will be identified rather than the practice which used to be followed by Authorities of designating the whole of the polling District as a Polling Place.
- accessibility – where a Polling Place has been selected that is not fully accessible, reasonable adjustments must be undertaken to provide access for Electors. Alternatively Local Authorities should consider whether it would be appropriate to designate a Polling Place that fall wholly or partly outside the Polling District.
- 2.9 Provision exists for changes to Polling Places in the case of emergencies.

3 ISSUES

- 3.1 The Council's current arrangements for Polling Districts and Polling Places have been in existence for some time. The Council's Electoral and Licensing Officer has carried out the review, and will update details of the polling station arrangements be posted on the Council's website together with the supporting information has been compiled. Attached as Appendix 1 is a summary of the position for each polling District, including the Acting Returning Officer's comments.
- 3.2 The Polling Places where problems have been identified are mainly where Portakabins are used, due to their limited accessibility for disabled users, namely Chaigley, Old Langho, Ramsgreave and Wiswell.
- 3.3 In addition it will be necessary to seek a new location for the Polling Station for the Chaigley area as the current arrangements to site a Portakabin on land which was formerly part of the Craven Heifer Public House, have come to an end.
- 3.4 Whilst it has not been possible to identify alternative locations at this stage, it is hoped that as for example has been the case at the Little Town Dairy, it will be possible through the assistance of Members to identify premises within their area which would be suitable alternatives.
- 3.5 The proposal is therefore to leave all Polling Districts and Polling Places unchanged, but to continue to explore improvements to accessibility generally, and in particular the 4 Polling Places referred to at 3.3.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:
- Resources – N/A.
 - Technical, Environmental and Legal – The Council has a duty to carry out the review.
 - Political – N/A.
 - Reputation – N/A.

5 **RECOMMENDED THAT COMMITTEE**

- 5.1 Consider the proposals for polling districts and polling places in the Ribble Valley Parliamentary constituency as set out at Appendix 1.
- 5.2 Recommend the proposals to Full Council for approval.

CHIEF EXECUTIVE

BACKGROUND PAPERS

- 1 None.

For further information please ask for Diane Rice, extension 4418.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 10

meeting date: 22 NOVEMBER 2011
title: FINANCIAL REGULATIONS
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To recommend to Council the acceptance of the attached financial regulations
- 1.2 Relevance to the Council's ambitions and priorities: This report contributes to the council's ambition to be a well managed council providing efficient services based on identified customer needs.

2 BACKGROUND

- 2.1 Financial regulations are a key component of the Council's Constitution and Corporate Governance arrangements.
- 2.2 The existing financial regulations have not been updated for a number of years and have been now been reviewed. It is good practice to keep the financial regulations under regular review in order to take account of evolving working practices.

3 INFORMATION

- 3.1 Attached is a revised set of financial regulations covering all aspects of the Council's financial arrangements and activities. They apply to every member and officer of the Council and anyone acting on the Council's behalf.
- 3.2 Most of the amendments that have been required are minor and reflect updates in regulations and changes within the council since they were last approved.
- 3.3 These financial regulations form part of the Council's Constitution and as a consequence will require the additional approval of Full Council.

4 RISK ASSESSMENT

- Resources – None
- Technical, Environmental and Legal – None
- Political – None
- Reputation – Financial regulations are an important part of the Council's Governance arrangements and will give the public confidence that the Council manages its financial affairs properly.

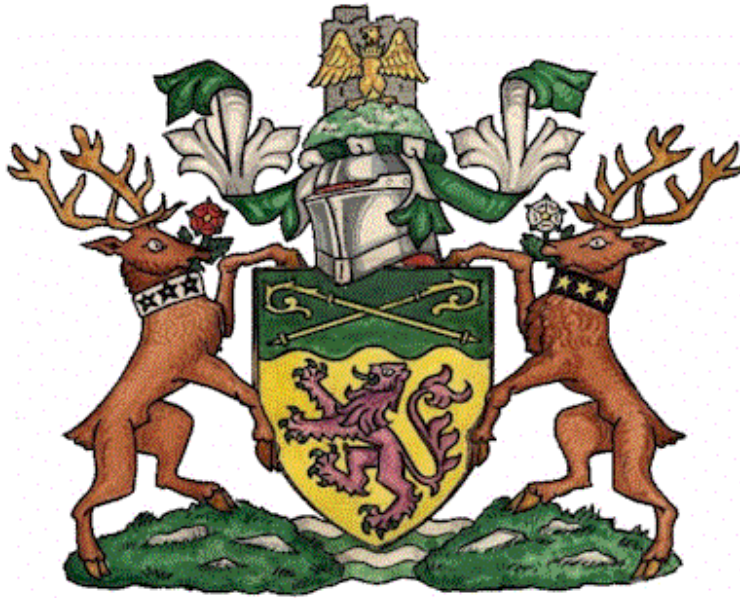
5 RECOMMENDED THAT COMMITTEE

- 5.1 Recommend to Full Council acceptance of the Revised Financial Regulations.

HEAD OF FINANCIAL SERVICES

PF70-11/LO/AC
15 November 2011

Ribble Valley Borough Council Financial Regulations



Reviewed: 22 November 2011

This document can be made available in alternative formats or languages. Anyone wishing to request this document in an alternative format or language should contact the Head of Financial Services on 01200 414541 or by email at lawson.oddie@ribblevalley.gov.uk

Ribble Valley Borough Council is committed to the delivery of quality services and so needs to be responsive to the changing demands and expectations of its customers.

In support of this aim the Council has a sound financial management framework in place, which is relevant and flexible enough to meet the challenges ahead. For example the changes from the traditional accepted role of local government to one of community leader including the introduction of greater partnership working has a major influence on the delivery of local services. The establishment of Financial Regulations provides the financial controls and procedures necessary to address the modern demands on local government. They also provide clarity about the financial accountabilities of individuals - Members, the Chief Executive (the Head of Paid Service), the Monitoring Officer, the Director of Resources (Section 151 Officer) and other Directors, ~~Service Managers~~Heads of Service and staff generally. The Regulations are therefore formally endorsed by the Council as a key part of the Council's Constitution.

The Financial Regulations, as set out here, provide the overall key control framework to enable the organisation to exercise effective financial management and control of its resources and assets. Another key purpose of the Regulations is to support and protect Members and staff in the performance of their duties where financial issues are involved.

These Regulations need to be read in conjunction with the remainder of the Constitution and any other regulatory documents of the Council.

Please address queries or comments regarding the Council's Financial Regulations to the ~~Financial Services Manager~~Head of Financial Services.

RIBBLE VALLEY BOROUGH COUNCIL FINANCIAL REGULATIONS

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Section 1: General

WHY ARE THESE REGULATIONS IMPORTANT?

It is important that the Council has a sound and effective financial management framework in place to safeguard the organisation's financial arrangements and activities, to support staff and to minimise risk. The Local Government Act 1972 Section 151 requires the Council to nominate one of its Officers to be responsible for the proper administration of its financial affairs. The Officer so appointed is the Director of Resources. Financial Regulations form part of the Council's approach to corporate governance and provide a control framework through which the Director of Resources carries out their statutory duty on behalf of the Authority.

The Financial Regulations and their application also form part of the Council's performance framework and an assessment of their effectiveness will contribute to the result of any external assessment of the Council, ~~e.g. the Comprehensive Area Assessment.~~

(1) Application of Financial Regulations

Financial Regulations are the framework for managing the authority's financial affairs. They apply to every Member and Officer of the authority and anyone acting on its behalf:

- (i) These Regulations identify the financial responsibilities of the Council, the Head of Paid Service, the Monitoring Officer, the Section 151 Officer and Directors generally. **References to Directors include the Chief Executive.** References to the Director of Resources refer to their role as Section 151 Officer.
- (ii) **References in these Regulations to Directors, including the Director of Resources, also apply to ~~Service Managers~~ Heads of Service, and other senior staff and shall in every case be considered as referring to authorised persons acting on their behalf (whether authorised or not).** In certain cases as specified in these Regulations, Directors are required to maintain a written record where decision making has been delegated to members of their staff, including seconded and temporary staff, and to supply up-to-date copies to the Director of Resources.
- (iii) These Regulations apply equally to any service carried out by the Council on behalf of the County Council or any other authority, body or person, and to all external agencies and their employees incurring expenditure or receiving income on behalf of the Council. Accordingly, Directors shall ensure that partnership and other arrangements with external parties are not set up to operate in conflict with these Regulations as far as this Council's involvement is concerned.

- (iv) Any action which is an exception to these Regulations may only be approved in exceptional circumstances by the Director of Resources in consultation with the Chairman of the Policy and Finance Committee and a report setting out the reasons for such action shall be submitted to the next meeting of that Committee.
- (v) These Regulations shall apply until such time as they are rescinded, amended or suspended by the Council.

(2) General responsibility

- (i) All Members and staff have a general responsibility for taking reasonable action to provide for the security of any assets under their control, and for ensuring that the use of resources is legal, is properly authorised, provides value for money and achieves best value.
- (ii) Directors are responsible for informing the Director of Resources of any matter liable to materially affect the finances of the Council including negotiations with government departments, before any commitment is incurred or arrangements reached.

(3) Compliance

Directors are responsible for making all staff in their departments aware of the existence and content of these Financial Regulations and any related Financial Procedure notes and for their compliance with them. They must also make an adequate supply of copies available for reference within their departments.

(4) Review

- (i) The Director of Resources shall maintain a continuous review of the Financial Regulations and, except where provided in (ii) below, submit any necessary additions or changes in law or practice to the Policy and Finance Committee for approval by the Full Council. They shall also report to the Chief Executive and/or Policy and Finance Committee where they consider appropriate any breaches of the Financial Regulations.
- (ii) Any financial amounts referred to in these Regulations may be varied by the Director of Resources in line with general price inflation or otherwise as required by statute
- (iii) The Director of Resources may issue from time to time Financial Procedure Notes to support these Regulations. These will prescribe more-detailed financial controls and procedures consistent with these Regulations and such supplementary controls and procedures shall carry the same status as these Regulations.

Section 2: Internal Controls

WHY ARE THESE REGULATIONS IMPORTANT?

The functions of the Authority are diverse and therefore to ensure delivery of the Council's strategic objectives a framework of internal controls is required.

The Authority has statutory obligations and therefore requires internal controls to identify, meet and monitor compliance with these obligations. Moreover the Council is required to conduct an annual review of the effectiveness of its system of internal control and ~~include~~ present an Annual Governance Statement ~~in~~ alongside the annual Statement of Accounts.

The Authority faces a wide range of financial, administrative and commercial risks, from both internal and external factors, which need to be managed to enable the Council to achieve its objectives. Internal controls are necessary to manage these risks.

A system of internal controls is established in order to provide measurable achievement of: (a) efficient and effective operations, (b) reliable financial information and reporting, (c) compliance with laws and regulations, and (d) risk management.

- (1) The Director of Resources has statutory duties in relation to the financial administration and stewardship of the authority. This responsibility cannot be overridden. The statutory duties arise from:
 - (i) Section 151 of the Local Government Act 1972
 - (ii) The Local Government Finance Act 1988
 - (iii) The Local Government and Housing Act 1989
 - (iv) The Accounts and Audit Regulations ~~2003~~2011
 - (v) The Local Government Act 2003.
- (2) The Director of Resources is responsible for:
 - (i) the proper administration of the authority's financial affairs
 - (ii) setting financial management standards and monitoring compliance with them
 - (iii) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
 - (iv) providing financial information
 - (v) preparing the revenue budget and capital programme
 - (vi) treasury management
 - (vii) reporting on the robustness of estimates made for the purposes of preparing budgets and the adequacy of the proposed financial reserves.
- (3) The Director of Resources shall report to the Full Council and external auditor in fulfilment of their statutory obligations under Section 114 of the Local Government Finance Act 1988 or otherwise if the authority or any of its Officers:

- (i) has made, or is about to make, a decision which involves incurring unlawful or unauthorised expenditure
 - (ii) has taken, or is about to take, an unlawful or unauthorised action which has resulted or would result in a loss or deficiency to the authority
 - (iii) has made or is about to make an unlawful or unauthorised entry in the authority's accounts.
- (4) Directors are responsible for ensuring that:
- (i) Service Committees are advised of the financial implications of all proposals and that these have been previously agreed by the Director of Resources.
 - (ii) contracts are duly signed on behalf of the authority
 - (iii) the approval of the Director of Resources is sought on any matter liable to affect the authority's finances materially, before any commitments are incurred.
- (5) The Director of Resources shall assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective operations, financial stewardship, probity and compliance with laws and regulations.
- (6) Directors shall ensure that:
- (i) managerial control systems operate effectively throughout their departments. These will include the defining of policies, the setting of objectives and plans, the monitoring of financial and other performance, and the taking of appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities and ensuring staff have a clear understanding of the consequences of any lack of control
 - (ii) financial and operational control systems and procedures operate effectively throughout their departments. These will include physical safeguards for assets, segregation of duties, checking and authorisation procedures and information systems
 - (iii) key controls and control objectives for internal control systems are reviewed regularly in order to be confident as to the proper use of resources, achievement of objectives and management of risk.
 - (iv) processes are managed so as to check that established controls are being adhered to and are effective
 - (v) existing controls are reviewed in the light of changes affecting the authority and new controls are established and implemented in line with guidance from the Director of Resources.
 - (vi) controls which are no longer necessary, or no longer cost or risk effective, are removed.
- (7) The Director of Resources shall ensure that there is an effective and properly resourced internal audit function.

Section 3: Accounting

WHY ARE THESE REGULATIONS IMPORTANT?

Maintaining proper accounting records is one of the ways in which the authority discharges its responsibility for stewardship of public resources. The authority has a statutory duty to prepare its annual Statement of Accounts in a way which ~~presents fairly~~gives a true and fair view of its operations during the year. The accounts are subject to external audit, which provides assurance that they have been prepared properly, that proper accounting practices and statutory requirements have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources. There is also a statutory right for members of the public to inspect the accounts and relevant supporting documentation.

- (1) The Director of Resources is responsible:
 - (i) for selecting and applying appropriate accounting policies
 - (ii) for determining accounting procedures and records.
- (2) The Director of Resources shall:
 - (i) make arrangements for the proper administration of the authority's financial affairs
 - (ii) apply accounting policies consistently
 - (iii) maintain proper accounting records
 - (iv) make an annual report to the Policy and Finance Committee on the financial outturn for the previous financial year
 - (v) ensure that the Statement of Accounts for that year is completed, approved by the Accounts and Audit Committee and published within the corporate and statutory timetable and in accordance with relevant Codes of Practice.
- (3) Directors shall ensure:
 - (i) that all the authority's transactions, material commitments, contracts and other essential accounting information are recorded completely, accurately and promptly.

- (ii) that in the allocation of accounting duties of any kind:
 - (a) the duty of providing information, calculating, checking and recording sums due to or from the Council shall be separated as completely as possible from the duty of collecting or disbursing such sums.
 - (b) Officers charged with the duty of examining and checking the accounts of cash or stores transactions shall not themselves be engaged in any of those transactions.
- (iii) that any Financial Procedure Notes prescribed by the Director of Resources are fully complied with.
- (iv) that the Director of Resources is supplied with such information as may be requested from time to time for the purpose of the proper administration of the Council's affairs.

Section 4: Revenue Budget

WHY ARE THESE REGULATIONS IMPORTANT?

The Council is responsible for producing an overall policy framework. The purpose of the framework is to explain overall priorities and objectives, and ensure that resources follow the identified priorities, current performance and proposals for improvement. The revenue budget is important in this context because, together with the capital programme (see Section 5), it expresses the approved policies and service levels of the Council in financial terms.

Once approved, the revenue budget confers authority on managers to incur expenditure to achieve the aims and objectives of the Council. If expenditure plans cannot be met within the approved budget, then they can only proceed with an approval to divert funds (as provided for in Section 6(4)).

- (1) The Director of Resources shall:
 - (i) recommend to the Policy and Finance Committee appropriate guidelines for preparation of the annual budget and the financial forecast for at least the following two financial years
 - (ii) issue appropriate guidance to Directors and Members and prepare a corporate budget timetable
 - (iii) ensure the approved budget guidelines are complied with so that statutory and other deadlines can be met.
- (2) Directors shall:
 - (i) submit to the Director of Resources estimates in accordance with the budget guidelines and within agreed time scales
 - (ii) ensure that the estimates are prepared having regard to the Council's Corporate ~~Plan~~ Strategy and other corporate aims and objectives
 - (iv) provide any other information the Director of Resources may require.
- (3) The Director of Resources shall report to the Policy and Finance Committee:
 - (i) on the detailed draft revenue estimates, ensuring that the content and format comply with legal requirements and relevant codes of practice
 - (ii) on the robustness of the estimates made for the purposes of calculations and the adequacy of the proposed financial reserves

- (iii) on any significant surplus or deficit arising on the Collection Fund with a recommended course of action
 - (iv) on the final proposed budget to enable the Policy and Finance Committee to make a recommendation to Full Council on the appropriate levels of contingencies and reserves, and on the levels of Council Tax for the year.
- (4) Subject to (5) below, the approval of a budget for the year by Full Council confers authority to spend in accordance with the budget for that year. Commitments affecting future financial years may only be made where the provisions of Section 6(6) are satisfied. Directors are responsible for coordinating programmes of expenditure and income that will achieve the objectives on which the budget was based.
- (5) Directors shall not enter into any new arrangements or other contractual commitments with long-term revenue consequences without the prior written consent of the Director of Resources. Such arrangements may be defined for this purpose as any lease, contract hire or other contract or series of contracts under which the use of an asset is obtained in exchange for a series of revenue payments which extend beyond the end of the following financial year.
- (6) If a Director wishes to incur expenditure outside the approved budget provision, or anticipates an underspend against an approved budget head, the procedures set out in Section 6(4) and (5) shall apply.
- (7) Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

Section 5: Capital Programme

WHY ARE THESE REGULATIONS IMPORTANT?

The revenue budget (Section 4) and the capital programme together express the approved policies and service levels of the Council in financial terms. It is important to ensure that the Council achieves maximum economy, efficiency and effectiveness from the use of its capital resources and directs those resources into the agreed priority areas. Unlike the revenue budget however, due to the uncertainty of capital resources and the timing of capital projects, total capital expenditure is often over or underprogrammed against estimated resources, so special controls are needed to ensure commitments do not exceed the resources available.

- (1) The Director of Resources is responsible for preparing ~~annually~~ a Capital Strategy and submitting this to the Policy and Finance Committee for approval.
- (2) The Chief Executive is responsible for preparing ~~annually~~ an Asset Management Plan and submitting this to the Policy and Finance Committee for approval.
- (3) The Director of Resources shall:
 - (i) ~~maintain~~ prepare current estimates of resources available to finance capital expenditure in the current year and over at least the following two financial years
 - (ii) ~~maintain~~ prepare a capital programme for approval annually by the Policy and Finance Committee and Full Council based on the current Council's Corporate ~~Plan~~ Strategy, Capital Strategy, Asset Management Plan, ~~the Housing Business Plan~~ and other relevant corporate plans and strategies.
- (4) Directors shall:
 - (i) submit to the Director of Resources upon request estimates of the cost of capital spending proposals and the estimated amount and timing of any capital receipts, commuted sums and other contributions receivable
 - (ii) ensure that the estimates submitted are prepared having regard to the Council's Corporate ~~Plan~~ Strategy and other corporate aims and objectives described in 3(ii)
 - (iii) provide any other information the Director of Resources may require for the review, monitoring or control of the capital programme.
- (5) In working up any capital scheme, Directors shall have regard to the risk of triggering clawback or breaching restrictive covenants or other contractual conditions in relation to land or otherwise.

- (6) The inclusion of a capital scheme within an approved capital programme shall confer authority to spend, including expenditure which may fall in a subsequent financial year, subject to:
- (i) the provisions of the Council's Contract Procedure Rules
 - (ii) the provisions of (7) below
 - (iii) the Director of Resources having first confirmed in writing that sufficient resources are available for the purpose.
- (7) If a Director wishes to incur expenditure outside the approved capital programme provision, ~~the procedures set out in Section 6(4) and (5) shall apply~~ then a request must be submitted to the relevant service committee for the approval of such in to the capital programme.
- (8) Directors shall give the Director of Resources early warning of known underspends, overspends and changes to planned resources so that the availability of uncommitted capital resources may be monitored effectively.
- (9) Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

Section 6: Budgetary Control

WHY ARE THESE REGULATIONS IMPORTANT?

Budgetary control ensures that once Full Council has approved a revenue budget or a capital programme, the resources allocated are used for their intended purposes, i.e. the agreed priority areas, and are properly accounted for. It is a continuous process, enabling the authority to review and adjust its budget targets during the financial year to make the most effective use of resources in delivering the Council's policies and objectives. The budgetary control framework also sets out the accountabilities of managers for defined elements of the budget.

By continuously identifying and explaining variances against budgetary targets, the authority can identify changes in trends and resource requirements at the earliest opportunity.

To ensure that the authority as a whole does not over or underspend, each service is required to manage its own expenditure within approved resources and to identify any surplus resources for diversion to other programme areas. A mechanism is provided for switching funds between budget heads, including contingencies and reserves, where required, in order to maintain service levels and achieve policy objectives.

(1) Overall responsibility for budgetary control

The Director of Resources is responsible:

- (i) to the Council for the overall financial control of the revenue budget and capital programme
- (ii) for providing quarterly monitoring reports
- (iii) for subdividing service budgets within the overall budget framework according to Council structure and services, having regard to relevant Codes of Practice
- (iv) for allocating the revenue budget and capital programme wholly among responsible Directors
- (iv) for supplying timely information on receipts and payments on each budget head and capital scheme, sufficiently detailed to enable managers to fulfil their budgetary control responsibilities.

(2) Responsibility for control of individual budgets

Directors are responsible:

- (i) for the budgets and programmes allocated to them, for delivering the levels of service on which they were based, and for compliance with their financial obligations
- (ii) for monitoring levels of service and performance within services, as measured by expenditure and income incurred against relevant budget heads and capital programme provision
- (iii) for seeking virements, either to increase or to reduce the provision allocated to particular budget heads or capital schemes, in accordance with (4) below in order to maintain budget provisions in line with the service levels required and

Directors:

- (i) may exercise powers delegated to them to enter into new financial commitments, including commitments relating to recruitment and remuneration of staff, only where adequate provision has been made in the revenue budget or capital programme and where the revenue consequences for future financial years are in accordance with (6) below
- (ii) shall provide any additional information the Director of Resources may require.

(3) Variances from budget

The Director of Resources is responsible

- (i) for reporting significant variances to the Policy and Finance Committee where a Director fails to take action under (4) to (6) below
- (ii) for agreeing annually:
 - (a) a list of expenditure proposals for which revenue budget provision had been made in the previous year and for which the particular goods or services had not been supplied before the financial year end.
 - (b) a list of expenditure proposals on capital schemes for which provision had been made in the capital programme for the previous year but which was under or overspent.

(4) Virements between budgets

Subject to appropriate consultation with the Director of Resources, budget allocations may be moved between revenue budget heads (including contingency provisions) ~~or between schemes in the capital programme~~ for the purpose of maintaining approved service levels, in accordance with the following scheme of virements:

Revenue Budgets

All requests must be approved by the Service Director and also the Director of Resources. Further approval from committees must also be given in accordance with the details shown below

Over £10,000 also by the Service Committee
Over £25,000 also by Policy and Finance Committee

Capital Budgets

Any request for virement between capital schemes must be approved by the service committee and Policy and Finance Committee.

No virement can take place between a revenue and a capital budget

	<u>Revenue</u>	<u>Capital</u>	
Up to	<u>£500</u>	<u>£1,000</u>	<u>by the Service Managers</u>
Up to	<u>£5,000</u>	<u>£10,000</u>	<u>by the Director</u>
Up to	<u>£10,000</u>	<u>£25,000</u>	<u>by the Director of Resources</u>
Up to	<u>£25,000</u>	<u>£50,000</u>	<u>by the Service Committee</u>
Over	<u>£25,000</u>	<u>£50,000</u>	<u>by Policy and Finance Committee</u>

~~and in~~ making any ~~such virement~~ decision, due regard shall be had to any budget implications for future financial years.

(5) Supplementary estimates

(i) Revenue expenditure

Where no provision currently exists in the revenue budget, or where the provision made for an existing budget head is insufficient and a virement is not available under (4) above, then new or additional budget provision may only be established with the approval of the Policy and Finance Committee and in making any such decision, shall have due regard to any budget implications for future financial years.

(ii) Capital expenditure

Where no provision currently exists in the capital programme, or where an existing provision is insufficient and a virement is not available under (4) above, then, new or additional provision may only be established for the scheme with the approval of the Policy and Finance Committee, who in making any such decision, shall pay due regard to any implications for the capital programme or revenue budget in future financial years.

(iii) Partnership Expenditure and External Funding

Where no provision currently exists in the revenue budget or capital programme for specific projects or activities which are to be wholly or partly funded by external agencies or partners, then the above criteria for virements and supplementary estimates will apply to the value of the Council's net financial contribution to the revenue or capital cost of the project.

The Director of Resources is empowered to adjust revenue budgets and capital programmes to reflect the gross value of all such arrangements and transactions.

Directors and ~~Senior Managers~~Heads of Service must liaise with the Director of Resources, and refer to Section 9 of these Regulations, prior to undertaking any bidding for external funding or setting up any partnerships.

(6) Commitments of revenue expenditure affecting future financial years.

The following arrangements shall apply in relation to the commitment of expenditure prior to the approval of the revenue budget for the financial year concerned:

- (i) Directors may commit expenditure affecting future financial years provided the estimated cost in real terms does not exceed the current year's budget provision and that the written consent of the Director of Resources is obtained ~~where regulations 4 (5) and 20 (3) apply.~~
- (ii) Directors may only commit expenditure on new or extended services with the approval of the relevant Service Committee and Policy and Finance Committee

(7) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

(8) Other matters affecting budgets

Directors are responsible for alerting the Director of Resources of any issues with the potential to affect revenue or capital budgets or resources in the current year or future years, and where significant the Director of Resources shall report such matters to the Policy and Finance Committee.

Section 7: Procuring and paying for Works, Supplies and Services

WHY ARE THESE REGULATIONS IMPORTANT?

The letting of public contracts should be done with demonstrable transparency and in accordance with Council policies, including the policy on fraud and corruption. It is essential for maintaining public confidence that the Council and its Officers are seen to act with complete fairness and impartiality in the letting of contracts.

The Council has a statutory duty to achieve best value, partly through economy and efficiency. There is also a local performance indicator measuring and reporting on the time taken by the Council to pay its creditors. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements.

These Regulations should be read in conjunction with the Council's Contract Procedure Rules and its Procurement Strategy.

(1) Placing Orders for Works, Supplies and Services

- (i) Where, over the anticipated lifetime of supply, the estimated value of any works, supplies or services to be received by the Council exceeds £50,000, Directors shall invite tenders in accordance with the Contract Procedure Rules
- (ii) Where, over the anticipated lifetime of supply, the estimated value of any works, supplies or services to be received by the Council is below £50,000, Directors may at their discretion invite tenders in accordance with the Contract Procedure Rules
- (iii) In all other cases, Directors shall place orders, using the corporate purchasing system, only in accordance with arrangements determined by the Director of Resources and set out in the Contract Procedure Rules. Such arrangements set different thresholds for different levels of control.

(2) Other contract terms

Directors shall:

- (i) in consultation with the Director of Resources include in every contract appropriate clauses to cover financial and insurance requirements, and to provide sufficient security for due performance

- (ii) put in place adequate procedures for the effective cost control of all contracts.
- (iii) ensure the full involvement of the Head of Legal and Democratic Services~~Legal Services Manager~~ and Procurement Assistant prior to commencement of the tender process.

(3) Receipt of Works, Supplies and Services

Directors shall put in place adequate systems for verifying the performance of work or the receipt of supplies and services. In particular controls shall be established to ensure that:

- (i) work done or supplies and services received are as specified
- (ii) quality or workmanship is of the required standard
- (iii) appropriate entries are made in inventory, stock or other records.

(4) Payment for Works, Supplies and Services

- (i) Directors shall make adequate and effective arrangements approved by the Director of Resources for checking and certifying invoices and other requests for payment without undue delay
- (ii) Unless covered by (iii) below or where otherwise approved by the Director of Resources, all payments shall be made by crossed cheque or automated bank transfer drawn on a bank account of the Council. Payments may only be made by direct debit or credit card with the prior approval of the Director of Resources.
- (iii) Minor items of expenditure, up to a limit set by the Director of Resources, may be paid under petty cash procedures.

(5) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to ordering and paying for works, goods or services, together with specimen signatures and details of any limitation on the authority delegated to them.

(6) General

- (i) Every Member and Officer engaged in contractual or purchasing decisions on behalf of the Council shall declare any links or personal interests they may have with purchasers, suppliers and contractors, and shall comply with the provisions of the appropriate codes of conduct

- (ii) Directors shall ensure that as far as is practicable the duties of ordering works, supplies or services, receiving them and certifying payment are not performed by the same Officer.

Section 8: Work carried out for others

WHY ARE THESE REGULATIONS IMPORTANT?

Legislation enables the Council to provide a range of services to other bodies. Such work may help maintain economies of scale and existing expertise. It may also be helpful to share the Council's facilities, expertise and resources with others under partnership arrangements. Effective controls should be in place to ensure that any risks associated with such work are minimised and that the work falls within the Council's statutory powers

- (1) Financial Regulations apply equally to any service carried out by the Council on behalf of the County Council or any other authority, body or person, and Directors shall not set up partnership or other arrangements with external parties to operate in conflict with these Regulations as far as this Council's involvement is concerned.
- (2) Directors shall:
 - (i) properly assess the financial implications of the proposal prior to commitment following consultation with the Director of Resources.
 - (ii) draw up contracts having regard to the Council's powers, relevant policies and protocols and in compliance with any insurance or other requirements of the Director of Resources.

Section 9: External funding and partnership arrangements

WHY ARE THESE REGULATIONS IMPORTANT?

Partnerships play a key role in delivering community strategies and in helping to promote and improve the well being of the District. The Council works in partnership with others - public agencies, private companies, community groups and voluntary organisations - and its distinctive leadership role is to bring together the contributions of the various stakeholders. The Council will mobilise investment, bid for funds, champion the needs and harness the energies of local people and community organisations. It will be measured by what it achieves in partnership with others.

Partnerships can provide ways to access new resources and share risk. They can also lead to innovative and improved ways of delivering services whilst forging new relationships. Whilst external funding is a very important source of income, funding conditions need to be carefully considered to ensure they are compatible with the aims and objectives of the Council. In some instances, tight specifications may not be flexible enough to link to the authority's overall plan. Also, new ways of working can increase the Council's exposure to fraud and to irregularities in the operation of, for example, VAT, insurances, and pay.

(1) Bidding for external funding

- (i) Directors shall seek external resources only to further the priorities and aims of the Council's Corporate ~~Plan~~Strategy.
- (ii) Before making a bid for resources which, if successful, would require any financial commitment from the Council, Directors shall ensure that appropriate budgets have been approved or earmarked in accordance with these Regulations
- (iii) In working up bids, Directors shall use appropriate project appraisal processes to assess the viability of the project in terms of resources, staffing and expertise, to identify and assess all potential risks, and to ensure achievement of the required outcomes.

(2) Setting up partnerships

- (i) Directors shall agree and accept formally in writing the roles and responsibilities of each of the partners involved in a project before the project commences
- (ii) Where the Council is to be the lead partner, or the accountable body where other public funds are involved, the responsibilities of the Council and the obligations of the various partners are to be clearly defined and

understood through the involvement of the Head of Legal and Democratic Services~~Legal Services Manager~~ prior to commencement of the project.

- (iii) Directors shall consult the Director of Resources on:
 - (a) any financial control, insurance and audit requirements to be incorporated in the partnership arrangements
 - (b) the overall financial implications for the Council
- (iv) Prior to entering into any commitment, the relevant Director shall ensure that any match funding or other financial obligations of the Council are provided for within revenue or capital programmes and that arrangements are made for future years' financial provisions to reflect these obligations. This should include any audit and other consequential fees as appropriate.

(3) Working with partners

- (i) **These Financial Regulations and the Council's Contract Procedure Rules shall apply equally to any orders for works, goods or services which are the responsibility of the Council under the partnership arrangements**
- (ii) The relevant Director shall comply with any key conditions of funding and any statutory requirements
- (iii) Any variation in resources to be contributed by the Council, or in the overall resources of the partnership where the Council is the accountable body, shall be dealt with in the same way as other budget variations as set out in Section 6 (Budgetary Control)
- (iv) The relevant Director shall ensure that any financial control, insurance and audit requirements of the partnership are met
- (v) The relevant Director shall communicate regularly with the other partners throughout the project so that problems are identified and shared to achieve their successful resolution.

(4) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

Section 10: Income

WHY ARE THESE REGULATIONS IMPORTANT?

It is essential that all income due to the Council is identified, collected, receipted and banked promptly. To achieve this it is necessary to put effective income systems in place. It is preferable to obtain income in advance of supplying goods or services as this improves the authority's cash flow and also avoids the time and cost involved in administering debts.

(1) General

Directors shall implement arrangements made by them under this Section only with the approval of the Director of Resources.

(2) Prompt identification of sums due to the Council

Directors shall make adequate and effective arrangements for the prompt identification of all sums due to the Council.

(3) Prompt recording in the Council's accounts of all sums due

- (i) Directors shall make adequate and effective arrangements for recording all sums due in the Council's accounts
- (ii) Accounts for sums due may only be raised on the Council's corporate Sundry Debtors system unless alternative arrangements have been approved.

(4) Collection and receipting of all income

Directors shall make adequate and effective arrangements for the collection and receipting of all income and for the security of all cash and other valuables having regard to agreed insurance limits for locked safes.

(5) Control of Tickets and Receipts

Official receipts, tickets, tokens, etc., shall be ordered, controlled and issued only under arrangements approved by the Director of Resources.

(6) Banking of income

The Director of Resources shall make arrangements for the prompt and secure transfer of cash from the Council's offices to the Council's bankers.

(7) Reconciliation of income

Directors shall make adequate and effective arrangements for the sums collected and banked to be reconciled with the records of sums due.

(8) Debt recovery

In all cases Directors shall take prompt and appropriate actions to recover all sums overdue to the Council and ensure that the corporate debt collection policy is followed.

(9) Writing off sums due

(i) Directors are responsible for recommending the write off of irrecoverable debts to the Director of Resources and for ensuring that the corporate debt write-off policy is followed.

(ii) Where an individual debtor owes the Council no more than £1,000, the Director of Resources may approve the write off of that debt where there is satisfactory evidence that it is irrecoverable. In any other case, the debt may be written off only with the approval of the Policy and Finance Committee.

(10) Reviews of fees and charges

Directors shall, in consultation with the Director of Resources, review all fees and charges at least annually in accordance with guidelines approved by the Policy and Finance Committee. On completion of each review, the relevant schedule of proposed fees and charges shall be presented to the appropriate Service Committee for approval.

(11) Segregation of duties

The duty of providing information, calculating, checking and recording sums due to or from the Council shall be separated as completely as possible from the duty of collecting such sums.

Section 11: Value Added Tax

WHY ARE THESE REGULATIONS IMPORTANT?

Value Added Tax (VAT) is a tax applied to many of the goods and services the Council either buys in or supplies to others. VAT therefore impacts on many of the Council's financial transactions. Whilst generally speaking the Council is able to reclaim the VAT it pays on buying in goods and services, this ability is limited in relation to certain types of services made by the Council. VAT is a very complex tax, particularly where it relates to land and property transactions and partnership arrangements. It is essential that the VAT implications of all major projects, partnership arrangements and land and property transactions be evaluated well in advance of commitments being made. If this is not done the Council could be faced with a substantial irrecoverable VAT bill that is both unplanned and unbudgeted. HM Revenue & Customs also have the power to impose penalties (fines) for late or non-compliance with VAT rules.

- (1) The Director of Resources is responsible for the determination of all arrangements for the collection, recording, payment and recovery of VAT.
- (2) The Director of Resources shall:
 - (i) maintain complete and accurate accounting records of all the Council's VAT transactions
 - (ii) submit the Council's VAT return to HM Revenue and Customs monthly in accordance with statutory deadlines
 - (iii) prepare the Council's partial exemption calculation as at the end of each financial year and monitor the Council's partial exemption position quarterly
 - (iv) conduct all negotiations with HM ~~Customs & Excise~~ Revenue and Customs in respect of VAT matters affecting the Council
 - (v) provide guidance, advice and training to Council staff on all aspects of VAT as they affect the Council
 - (vi) publish and regularly update appropriate VAT guidance notes on the Council's intranet.

- (3) Directors shall:
- (i) properly account for VAT on all transactions under arrangements determined by the Director of Resources
 - (ii) consult the Director of Resources in all cases where the VAT treatment of any transaction is unclear so that the matter can be reviewed and appropriate treatment determined
 - (iii) consult the Director of Resources in all cases where new projects, schemes or services are proposed, well in advance of commitments being made, so that any impact on the Council's VAT position can be assessed and any necessary action taken to protect the Council's VAT recovery position
 - (iv) co-operate with any VAT inspector and give access at all reasonable times to premises, personnel, documents and assets which they consider necessary for the purposes of their work.
-

Examples of activity with potential VAT implications

Examples of the types of new activity that could have an impact on the Council's VAT position are shown below. However, this list is not exhaustive and consultation should take place when any new or innovative scheme is proposed: -

- a new service
 - a significant extension to an existing service
 - a capital new-build scheme
 - a land or property transaction, including any involving a land exchange
 - a new or extended partnership arrangement
 - a scheme involving third party funding
 - an agency arrangement
 - any scheme where there is consideration in kind
 - *a project where the council is to act as accountable body, or project manager*
-

Section 12: Banking and Cheques

WHY ARE THESE REGULATIONS IMPORTANT?

The Council has a duty to ensure that all monies are properly safeguarded and only utilised for authorised purposes. It is therefore necessary to have controls to ensure the proper authorisation and control of all bank accounts, all payments made from them and all income deposited.

(1) Operation of bank accounts

- (i) The Director of Resources is responsible for opening, closing and operating all bank accounts and related facilities in the Council's name
- (ii) All communications with the Council's bankers concerning its bank accounts and any changes in banking arrangements shall be made under arrangements approved by the Director of Resources.

(2) Authorisation of signatories

Only Officers personally mandated by the Director of Resources and approved by the Policy and Finance Committee may sign cheques and other documents transferring funds out of the Council's bank accounts.

(3) Payments from Council bank accounts

- (i) All payments from the Council's bank accounts shall be, so far as is practicable, by crossed cheque or automated bank transfer but the Director of Resources may exclude from this regulation such payments as he may consider appropriate from time to time.
- (ii) No payments shall be made from the Council's bank accounts unless approved personally by a signatory authorised in accordance with (2) above.

(4) Custody of cheques

- (i) All cheques and related stationery shall be ordered and controlled by the Director of Resources
- (iii) The safe custody and issue of cheques and related stationery shall be carried out under arrangements made by the Director of Resources.

(5) Banking of income

The Director of Resources shall make arrangements for the prompt and secure transfer of cash from the Council's offices and facilities to the Council's bankers.

(6) Reconciliation

The Director of Resources shall regularly reconcile the Council's bank accounts with the accounting records.

Section 13: Security and Inventories

WHY ARE THESE REGULATIONS IMPORTANT?

The authority holds assets in the form of land and buildings, fixed plant, vehicles and machinery, furniture and equipment, software and data, cash and other items of value (e.g. stocks and stores, tickets and vouchers). It is important that assets are used efficiently in service delivery, that they are adequately insured and that there are arrangements for the security of both assets and information required for service operations. Up to date records are a prerequisite for sound asset management. See also Sections 14 (Stocks and Stores), 15 (Computer Systems) and 16 (Insurances).

1) Proper use of the Council's resources

Resources are to be used solely for the purposes of the authority unless authorised otherwise by the Council, and are to be properly accounted for.

2) Asset register

The Chief Executive is responsible, in consultation with other Directors, for the compilation and maintenance of an asset register covering land and property and other fixed assets

3) Inventories

(i) Each Director is responsible for maintaining an inventory of moveable assets ~~above a de minimis value~~ under procedures determined by the Director of Resources

(ii) Inventories are to be reviewed at least once each year and an updated copy supplied to the Director of Resources.

4) Security

Directors shall make proper arrangements for:

(i) the security of all buildings and other assets under their control

(ii) the safe custody of all documents held as security.

Section 14: Stocks and Stores

WHY ARE THESE REGULATIONS IMPORTANT?

The Council holds many different types of stocks and stores. It is important that these assets are safeguarded and used efficiently in service delivery. There therefore need to be adequate arrangements for the receipt, security and issue of stocks and stores and for the disposal of surplus or redundant items.

(1) Receipt, Control and Custody

Directors shall make adequate and effective arrangements for the custody, care and physical control of all stocks and stores in their departments.

(2) Stocks and Stores Records

(i) In consultation with the Director of Resources, Directors shall maintain adequate records of all issues and other movements of stocks and stores

(ii) Directors shall provide to the Director of Resources each year a stock certificate detailing stocks and stores in hand at 31 March.

(3) Maintenance of stocks

(i) Directors shall maintain stocks at reasonable levels and subject them to a regular independent physical check

(ii) All discrepancies shall be investigated, pursued to a satisfactory conclusion and removed from the authority's records by making stock adjustments as necessary. Gains and losses resulting from stock adjustments shall only be written off or adjusted in the records under arrangements approved by the Director of Resources.

(4) Disposal of surplus, obsolete or redundant stocks or equipment

Directors shall ensure that all stocks and equipment no longer required are disposed of economically under arrangements approved by the Director of Resources.

(5) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to sign stock certificates and other related matters on their behalf, together with specimen signatures and details of any limitation on the authority delegated to them.

Section 15: Computer Systems

WHY ARE THESE REGULATIONS IMPORTANT?

A very high reliance is placed on computer systems for all aspects of the Council's business, including financial and management information. Systems therefore need to be fit for purpose, well managed and secure. The information stored must be accurate, the systems and the supporting infrastructures secure, and procedures sound and well administered.

- (1) New computer systems and changes to existing systems shall only be introduced with the approval of the ICT Manager and, for financial systems or those that interact with such systems, with the additional approval of the Director of Resources.
- (2) The Head of Financial Services, together with the ICT Manager shall:
 - (i) ensure that any new or significantly changed system is in accordance with the Council's ICT strategy.
 - (ii) assist in the selection of all new computer systems, manage effectively the technical process of implementation and assist in ensuring that all staff are properly trained in their use.
 - (iii) ensure that the Council's infrastructure, systems and data are secure
 - (iv) make proper arrangements to protect central computer equipment against loss or damage through theft or misuse
 - (v) put in place a documented and tested disaster recovery system and review it regularly
 - (vi) issue mandatory standards and guidelines governing the use of all computer systems and monitor their use to ensure that they are adhered to.
- (3) Directors shall:
 - (i) ensure that computer systems are fit for the purpose of their business function
 - (ii) make staff aware of and ensure that they comply with the Council's ICT standards

- (iii) train all staff in the proper and effective operation of any computer systems they are required to use and ensure that system administrators are appointed, trained and managed
- (iv) restrict user access to systems and data held on computer systems as appropriate
- (v) ensure that processing is genuine, complete, accurate and timely and that an audit trail exists to original documentation
- (vi) ensure that information generated by computer systems is accurate and complete and that it is communicated to appropriate managers on a timely basis
- (vii) put in place appropriate and effective contingency arrangements to maintain services in the event of any potential computer failure
- (viii) register any personal information in accordance with data protection legislation and make staff aware of their responsibilities under the relevant law
- (ix) make proper arrangements to protect departmental computer equipment against loss or damage through theft or misuse
- (x) comply with data protection, computer misuse, software licensing, copyright, design and patent legislation and any other relevant legislation, and in particular ensure that only software that is properly acquired is installed and used on computers.

Section 16: Insurances

WHY ARE THESE REGULATIONS IMPORTANT?

The provision of insurance cover is one of the major methods of responding to corporate and service risks identified under the Council's risk management arrangements (see Section 17). Cover can be arranged either externally (with major insurance companies) or through an internal insurance pool. Accurate record keeping and timely provision of information are essential if the Council's insurance cover is to be effective. This Section should be read in conjunction with that relating to Risk Management.

- (1) The Director of Resources is responsible for:
 - (i) effecting all insurance cover on a corporate basis, through external insurance or through internal self-insurance arrangements as considered appropriate
 - (ii) negotiating all claims, in consultation with relevant Directors where necessary.
- (2) Directors shall notify the Director of Resources immediately in writing:
 - (i) of all new risks, properties, vehicles or other assets that require insurance;
 - (ii) of any alterations to such risks or assets affecting existing insurances;
 - (iii) should any of the authority's assets be damaged, lost or stolen;
 - (iv) of any loss, liability, damage or personal injury that may lead to a claim against the authority.

and shall provide any related information or explanation required within time scales determined by the Director of Resources.
- (3) Directors shall ensure that no employee or other person covered by the authority's insurances admits liability (orally or in writing) or makes any offer to pay compensation, because this may prejudice a proper assessment of the Council's liability.
- (4) Directors shall maintain proper records relating to insurances effected by the authority, under arrangements approved by the Director of Resources.
- (5) Directors shall consult the Director of Resources and seek legal advice from the ~~Legal Services Manager~~Head of Legal and Democratic Services on the terms of any indemnity that the authority is requested to give.

- (6) Directors shall consult the Director of Resources to determine the minimum level of insurance cover required of any person or body (including all Council contractors) to indemnify the Council or to effect insurance cover in accordance with the Council's requirements.

Section 17: Risk Management

WHY ARE THESE REGULATIONS IMPORTANT?

The Council faces numerous risks: to people (including its employees), to property, to its reputation and to continuity of service delivery. Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to successfully execute its strategies. This will include both external and internal risks. Risk Management is the process by which risks are identified, evaluated and controlled. Risk management seeks to protect the Council and enable us to achieve our stated aims and objectives. It also seeks to maximise the rewards that can be gained through effectively managing risk. It is the responsibility of the Accounts and Audit Committee to approve the Council's risk management policy and strategy and to promote a culture of risk management awareness throughout the organisation.

This Section should be read in conjunction with that relating to Insurance (see Section 16), which is just one tool used in the control of organisational risk.

- (1) The Accounts and Audit Committee shall approve and promote the authority's corporate risk management policy and strategy.
- (2) The Director of Resources shall:
 - (i) develop risk management processes and procedures to assist in the identification, assessment, reduction and control of material risks
 - (ii) undertake regular monitoring and review of the corporate and service arrangements for effective risk management.
- (3) Directors are responsible:
 - (i) for risk management within all areas under their control, having regard to appropriate advice from the Director of Resources.
 - (ii) for carrying out regular reviews of risk, risk reduction strategies and the operation of appropriate controls (including business continuity plans) within their departments.
- (4) Directors shall consult the Director of Resources and seek legal advice from the Head of Legal and Democratic Services~~Legal Services Manager~~ on the terms of any indemnity that the authority is requested to give.
- (5) Directors shall promptly notify the Director of Resources of all new risks that are material, as they are identified.

Section 18: Internal Audit

WHY ARE THESE REGULATIONS IMPORTANT?

The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2011 more specifically require that a “relevant body ~~shall maintain~~ must undertake an adequate and effective ~~system of~~ internal audit of ~~their~~ its accounting records and of its system of internal control ~~control systems in accordance with the proper practices in relation to internal control”.~~

Accordingly, internal audit provides one aspect of an independent and objective assurance in the review of the system of internal control as a contribution to the proper, economic, efficient and effective use of resources. In fulfilling this responsibility the internal audit service comply with best practice as set out by CIPFA’s Code of Practice for Internal Audit in Local Government.

- (1) The Director of Resources shall ensure that the internal audit service is independent in its planning and operation.
- (2) The Director of Resources or their authorised representative shall have authority to enter at all reasonable times any offices, premises or land under the control of the Council and shall have unrestricted access to all records, documents and correspondence relating to any matter under consideration, without limitation.
- (3) All staff shall provide such information and explanations as the Director of Resources considers necessary and shall produce upon demand cash, stores, documents or other property of the Council under their control.
- (4) Directors, ~~Service Managers~~ Heads of Service and other staff shall immediately notify the internal audit service on behalf of the Director of Resources upon discovery or suspicion of any financial irregularity, whether affecting cash, stores, property, financial records or otherwise. The Director of Resources shall notify the Chief Executive in all significant cases.
- (5) The Council sets out in policy documents its approach to fraud and corruption and to “whistle blowing”.
- (6) The internal audit service has direct access to the Chief Executive, to all levels of management and to elected Members.

Section 19: External Audit and Inspection

WHY ARE THESE REGULATIONS IMPORTANT?

The Audit Commission is responsible for appointing external auditors to each local authority. The basic duties of the external auditor are governed by statute.

In fulfilling their responsibilities the external auditor works to a code of audit practice issued by the Audit Commission.

The authority may from time to time also be subject to audit, inspection or investigation by various other external bodies. The Audit Commission inspectorates, government department inspectorates and bodies such as HM Revenue and Customs have statutory rights of access. Rights of access are also sometimes granted under contractual arrangements, including partnerships where the Council is not the lead body. It is important that all Officers of the Council respond to external scrutiny in a timely, professional and helpful manner.

- (1) The Director of Resources shall facilitate the coordination of the work of internal and external audit together with ensuring appropriate consideration of external audit reports by management and/or Members.
- (2) Co-ordination of all other inspection and independent review work shall be the responsibility of the relevant Director.
- (3) Directors shall give external auditors and inspectors access at all reasonable times to premises, personnel, documents and assets which they consider necessary for the purposes of their work.

Section 20: Treasury Management and Leasing

WHY ARE THESE REGULATIONS IMPORTANT?

Treasury Management is in place to provide assurance that the authority's money and overall cash flow are properly managed, in a way that balances risk with return but with overriding consideration being given to the security of investments.

The signing of leases and other forms of credit can have a wider financial impact than just the rental payments. It is therefore necessary that the Director of Resources be given the opportunity to evaluate the costs of any potential agreement before it is legally binding.

(1) General

The Director of Resources is responsible for all investment, borrowing and leasing undertaken in the name of this authority.

(2) Treasury Management

The Director of Resources shall:

- (i) prepare ~~at least every third year~~ annually a Treasury Management Policy Statement covering all aspects of treasury management for consideration by the Policy and Finance Committee and recommendation to Full Council
- (ii) prepare annually a Treasury Management Strategy setting out the Council's strategy for consideration and approval by the Policy and Finance Committee
- (iii) prepare annually an Investment Strategy for consideration and approval by the Policy and Finance Committee
- (iv) recommend to the Council before the commencement of each financial year a range of Prudential Indicators, including borrowing limits, to be set for that financial year in accordance with statute and the CIPFA Prudential Code.
- ~~(v)~~ provide regular treasury management monitoring reports to Policy and Finance Committee
- ~~(v)~~ (vi) arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the authority's Treasury Management Policy Statement and its annual Strategy

| ~~(vi)~~(vii) _____ make all investments, borrowings and other financing transactions only in the name of the authority or in the name of nominees approved by Full Council.

(3) Leasing and Similar Arrangements

Leasing and other similar arrangements, including new or extended leases of land and property, may only be entered into with the written consent of the Director of Resources. Such arrangements may be defined for this purpose as any lease, contract hire or other contract or series of contracts under which the use of an asset is obtained in exchange for a series of payments which extend beyond the end of the following financial year.

(4) Delegation

The Director of Resources shall maintain in writing a list of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

Section 21: Pay and Conditions of Employment

WHY ARE THESE REGULATIONS IMPORTANT?

Staffing costs are the largest single item of expenditure for most Council services. It is therefore important that payments are accurate, timely, made only where they are due and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are paid in accordance with the scheme adopted by Full Council.

Like all organisations, the Council is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax can be severe. It is therefore important for all Officers to be aware of their role.

(1) General

Terms and conditions of employment are to be determined by the Council and the Personnel Committee. The Director of Resources is responsible for the administration of all arrangements for the payment of salaries, wages, pensions, and car loans to eligible employees, travel and subsistence claims and other emoluments to existing and former employees, and for all related matters.

(2) Deductions from Pay

The Director of Resources shall make proper arrangements for all statutory and other deductions from pay, including tax, national insurance and pension contributions, and payment of such sums to the bodies concerned.

(3) Terms of employment

Directors, in consultation as necessary with the ~~Human Resources Manager~~Head of Human Resources, shall promptly notify the Director of Resources of:

- (i) the terms and conditions applying to new contracts of employment
- (ii) any changes or events affecting the salaries, wages or emoluments of the Council's employees
- (iii) all resignations, retirements and terminations of employment.

(4) Provision of Information

Directors shall provide to the Director of Resources:

- (i) all relevant information, including notifications of sickness absence, in an agreed format and within agreed time scales to enable the prompt and accurate payment of all elements of pay
- (ii) notification of the impending departure of any employee involved with the custody of cash or stores.

(5) Members' Allowances

Payments to elected Members of the Council shall be made by the Director of Resources in accordance with the Council's approved scheme.

(6) Delegation

Directors shall notify the Director of Resources in writing of the names of any Officers in their department authorised to act on their behalf in relation to the specific responsibilities set out in this Section, together with specimen signatures and details of any limitation on the authority delegated to them.

Section 22: Reports to Members

WHY ARE THESE REGULATIONS IMPORTANT?

New and changing policies of the Council result from consideration of reports, either from Members or Officers. Policies could therefore be set on the basis of insufficient or misleading information if both the financial and risk management implications have not been considered, and if commitments are made these could lead to financial difficulties for the Council.

- (1) Reports shall only be put before the Council, Committees, or Working Groups if financial and risk management, technical and legal, political and reputational implications for the Council have been considered and presented fairly in the report. Informal advice to Members shall also have regard to any significant financial or legal implications.
- (2) Consultation shall take place as appropriate between the authors of reports, the Director of Resources and any other Directors affected, in good time for any financial, risk management and legal implications to be properly identified.
- (3) Where there are no financial risk management or legal implications or they are negligible, the report shall say so.

Examples of proposals with potential financial implications

Broadly speaking any actual or proposed action or decision that affects the Council's finances in any way has a financial implication.

Listed below are examples of actions or decisions that are likely to have a financial implication. However this list is not exhaustive and it should be borne in mind that other areas of action or decision will undoubtedly have financial implications too.

- *Anything that affects the current year's budget or capital programme, for example:*
 - *a new service*
 - *an improved service level*
 - *cessation of a service*
 - *a reduction in service level*
 - *a new capital project*

- *Anything that affects the budget or capital programme of future years, for example:*
 - *ongoing net cost of a new or improved service*
 - *ongoing net revenue cost of a new capital project*
 - *reduced ongoing effect of service cessation or reduction*
 - *reduced ongoing effect of the sale or disposal of a capital asset*
- *Anything that affects the Council's level of income, for example:*
 - *an increase or reduction in charges*
 - *introduction of a charge for a service currently provided free*
 - *free provision of a service currently provided at a charge*
- *Anything that affects the Council's ability to recover VAT, for example:*
 - *provision of a new exempt or partly exempt service*
 - *a new capital project or existing capital asset to be used for exempt or partly exempt purposes*
 - *transfer of a service or undertaking to another body*
 - *See Section 11 for more detail*
- *Anything that affects the Council's entitlement to government grant, for example:*
 - *action which may result in an increase or reduction of grant entitlement*
- *Anything that enables the Council to attract outside funding from any source, for example:*
 - *a new partnership*
 - *a new third party funding arrangement*
 - *a new agency arrangement*
- *Anything that could potentially expose the Council to legal action, government surcharge or other financial penalty, for example:*
 - *an action which could be subject to legal challenge*
 - *an action which could lead to fines or penalties being imposed on the Council*
- *Any action that may result in the payment of redundancy or other staff severance costs, for example: -*
 - *cessation of a service leading to a surplus of staff*
 - *reduction in a service level leading to a surplus of staff*
 - *externalisation of a service (including where TUPE applies)*

- *Any action that would affect the market value of a Council asset, for example:*
 - *a reduction in the maintenance level of an asset leading to a lower asset value*
- *Any action likely to increase the Council's insurance costs, for example:*
 - *the use of a Council asset for what is perceived to be a higher risk purpose*
 - *a worsening claims record*

Glossary

Asset Management Plan

A document setting out the Council's plan for developing systems and internal controls to manage its land, buildings and capital expenditure in the most effective way to achieve its goals.

Asset register

A detailed listing of land, buildings, vehicles and major items of plant and equipment (assets). Asset registers are important because they enable an effective assessment of the management of assets to be made through a comprehensive record of attributes. They are also a useful basis for arranging appropriate insurance cover and substantiating insurance claims in the event of fire, theft or other loss.

Budget

A statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and the capital programme and any authorised amendments to them. It does not however include the forward financial forecast, which is for financial planning purposes only.

Budget Book

The publication in which the Council sets out its budget for a particular financial year.

Budgetary control

The continual review of expenditure and income, both revenue and capital, against planned levels of expenditure and income to help ensure that service objectives are achieved and the overall resources of the Council are not over or underspent. This process is aided by the use of budget profiles.

Budget provision

The amount approved by the Council for a particular budget head.

Capital contributions

Sums contributed by external persons and bodies towards the cost of capital schemes to be carried out by the Council. These commonly derive from planning agreements with developers but also include sums recovered from third parties.

Capital expenditure

This generally relates to expenditure on the acquisition or enhancement of fixed assets which will be of use or benefit to the authority in providing its services for more than one year. It also includes grants to other persons and bodies for spending by them on similar purposes.

Capital programme

The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also provides estimates of the capital resources available to finance the programme and a statement of any under- or over-programming.

Capital receipts

The proceeds from the disposal of land and other assets which are available to finance new capital expenditure ~~after deducting any amount which is required by statute to be paid over to the Secretary of State~~. Statute prevents capital receipts being used to finance revenue expenditure.

Capital resources

The resources earmarked either by statute or by the Council to meet the cost of capital expenditure instead of charging the cost directly to revenue. The definition covers borrowing, capital receipts, and grants and contributions from external persons and bodies given for capital purposes. The Council may also contribute revenue resources to the financing of capital expenditure, and for as long as these are included in the capital programme, they are regarded similarly as capital resources.

Capital Strategy

A document setting out the principles and key issues relating to the Council's management of its capital resources and expenditure to meet its goals as laid out in the Council's Corporate ~~Performance and Improvement Plan~~Strategy.

CIPFA

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the leading professional body for accountants employed in the public sector. It issues Codes of Practice and other guidance as appropriate on matters which are addressed by these Regulations.

Codes of conduct

The protocols within which Members and Officers will work as set out in parts of the Constitution.

Codes of practice

Guidance issued normally by professional bodies in relation to standards which are not regulated by statute. For example, CIPFA have issued Codes of Practice giving detailed guidance on accounting standards, internal audit and treasury management.

Collection Fund

The fund into which Council Tax and business rates are paid and out of which the precepts of Lancashire County Council, Lancashire Police Authority, Lancashire Combined Fire Authority, and Ribble Valley Borough and Parish Councils are met. Any surplus or deficit is shared between the various authorities, other than Parish Councils, on the basis of precepted amounts.

Computer systems

Commercially available software which might be acquired for use on Council computers, whether mainframe, local PC or networks. For the purposes of these Regulations, the definition is not intended to cover applications to which such systems might be put.

Contingency provisions

Money set aside in the budget to meet the cost of unforeseen items of expenditure or shortfalls in income and to provide for changes in inflation and interest rates compared with the assumptions on which the rest of the budget was set.

Contract Procedure Rules

The Council's rules relating to the procurement of works, supplies and services as set out in ~~parts 4 and 5 of~~ the Constitution. These are supported by Section 7 of these Regulations.

Corporate governance

The system by which local authorities direct and control their functions and relate to their communities.

Corporate ~~Performance and Improvement Plan~~Strategy

A statement made by a local authority setting out its long-term aims for the community it serves, the organisational aims of the Council and the main values which underpin its work for the community.

Council Tax

A local tax based on the capital value of residential properties. The level set by an authority for a particular year will be broadly determined by its expenditure on General Fund services less other income, use of Council reserves and government grant.

Council Tax base

A figure calculated annually to represent the number of dwellings over which the Council Tax for the following financial year may be collected. All dwellings within the District are valued by the Valuation Office Agency (an agency of HM Revenues and Customs) and classified into one of eight bands (A to H), each of which is expressed as a proportion above or below the value of Band D. The Council Tax base is the number of dwellings expressed in terms of a Band D average, after making allowance for discounts and losses. When the Council sets the level of Council Tax for that year, it is expressed as an amount due from Band D properties.

Creditors

A person or body to whom the Council owes money.

Debtor

A person or body who owes the Council money. The debt may derive from a number of sources such as Council Tax, rechargeable works or where an account has been rendered for a service provided by the Council.

Earmarked Reserves

See "Reserves"

Estimates

The amounts which are expected to be spent, or received as income, during an accounting period. The term is also used to describe detailed budgets which are being prepared for the following financial year or have been approved for the current year. The “original estimate” for a financial year is that approved as part of the budget prior to the start of that year and the “revised estimate” is an updated revision for that year.

External Audit

An independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The external auditor for each authority is appointed by the Audit Commission.

Fees and charges

Charges made to the public for Council services and facilities.

Financial Regulations.

That part of the Council’s Constitution which provides an approved framework for the proper financial management of the authority.

Financial year

The period of twelve months commencing on 1 April.

Forward financial forecast

The estimated revenue budget for the two financial years immediately following the budget year, or the totals of such estimates. The forecast conveys no authority to spend, and is made for financial planning purposes only.

General Fund

The revenue fund of the Council covering day-to-day expenditure and income on services. The net cost on this account is met by Council Tax.

Internal audit

An independent appraisal function for review of the internal control system of an organisation. It objectively examines, evaluates and reports on the adequacy of internal controls as a contribution to the proper, economic, efficient and effective use of resources.

Inventory

A detailed listing of all goods, materials, furniture and equipment in the ownership or use of a particular service, other than those held in stocks and stores records. Inventories are normally maintained in sufficient detail as to description, location, age, value etc. to enable any material loss arising from a fire, theft or other event to be identified and to support any insurance claim.

Investment Strategy

A statement of policies for determining the type, value and length of investments that the Council will use to place its surplus funds and also for determining appropriate third parties with whom these investments will be placed

Leasing

A method of acquiring the use of capital assets which is similar to renting. Normally this kind of arrangement is only suitable for vehicles, plant and equipment. Ownership of the asset remains with the leasing company and the annual rental is charged directly to the Council's revenue accounts.

Members' Allowances

A scheme of payments to elected Members of the Council in recognition of the duties and responsibilities assumed by them.

Precept

The amount that Councils and certain other public authorities providing services within Ribble Valley require to be paid from the Collection Fund to meet the cost of their services.

Prudential Indicators

The Prudential Indicators are designed to support and record local decision making regarding capital investment. The CIPFA 'Prudential Code for Capital Finance in Local Authorities' requires each local authority to agree and monitor mandatory *prudential* indicators.

Reserves

A Council's accumulated surplus income in excess of expenditure. Reserves are available at the discretion of the Council to meet items of expenditure in future years, and may be earmarked or held for general purposes. An example of an earmarked reserve is the Capital Reserve Fund.

Revenue

A term used to describe the day-to-day costs of running Council services and income deriving from those services. However, it also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

Risk

Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted action, event or occurrence.

Risk management

Risk management is the adoption of a planned and systematic approach to the identification, evaluation and management of risk.

Risk Management Policy and Strategy

This is approved by the ~~Overview and Scrutiny~~Accounts and Audit Committee endorsing the commitment of the Council to effective risk management and sets out the responsibility of Members, Directors and all staff for the identification, control and reduction of risk and the containment of loss in all aspects of their activities.

Statement of Accounts

The Council's annual report on its financial position for the year ending 31 March. The report is required to be in a prescribed format and is subject to independent review.

Supplementary estimate

The approval of an increase in the level of a particular budget head, or the establishment of a new budget head, under the procedure laid down in Section 6 of these Regulations. Where an existing budget head is involved, a supplementary estimate would not normally be approved where an appropriate virement was available. Supplementary estimates may only be sanctioned by Members.

Treasury Management

The management of the authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks. It includes the setting of and monitoring compliance with the Prudential Indicators.

Treasury Management Policy Statement

A statement approved by the Full Council ~~from time to time~~ setting out the parameters within which treasury activities are to be managed.

Treasury Management Strategy

The strategy for the treasury management activities to be adopted for a particular Financial year as approved by the Policy and Finance Committee within the parameters set by the Treasury Management Policy Statement. The strategy needs to be flexible enough to allow the Director of Resources to respond appropriately to changing circumstances during the course of the year to the best advantage of the Council.

Virement

The transfer of budget provision from one budget head to another, under the procedure laid down in Section 6 of these Regulations. Virement decisions apply ~~to both~~ revenue ~~and capital~~ expenditure heads, and may on occasions be between expenditure and income, and may include transfers from contingency provisions. However, Virements may not be approved between capital and revenue budget heads. Virements may be approved by Service Directors and the Director of Resources Officers up to an amount specified in the Regulations, after which approval is required ~~or~~ by Members.

Write off

The action taken to charge to the Council the amount due from some external party which has been found to be irrecoverable from that party. Whilst the sum remains due to the Council in law, it will no longer be shown as outstanding in the Council's accounts.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 22 NOVEMBER 2011
title: SURVEILLANCE COMMISSIONERS INSPECTION REPORT DATED 23 AUGUST 2011
submitted by: SOLICITOR
principal author: MAIR HILL

1. PURPOSE

1.1 To report to committee the result of the Office of Surveillance Commissioners inspection report dated 23 August 2011, arising from an inspection carried out by Mr Andrew Mackian (Surveillance Inspector) on 17 August 2011.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions – To prevent and/or detect crime or disorder, whilst respecting individuals rights under the European Convention on Human Rights (the “ECHR”) and the Human Rights Act 1998 (the “HRA”).
- Community Objectives – None.
- Corporate Priorities – None.
- Other Considerations – None.

2. BACKGROUND

2.1 HRA incorporated the ECHR into domestic law.

Article 8 of the ECHR provides that:

- “1. *Everyone has the right to respect for his private and family life, his home and his correspondence.*
2. *There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well being of the country for the prevention of disorder or crime, for the protection of health or morals or for the protections of the rights and freedoms of others.”*

2.2 There is therefore a qualified right for the Council to interfere with an individual's rights under Article 8, if it is done in accordance with the law, is necessary and is proportionate to the aims, which it seeks to achieve.

2.3 Any individual undertaking surveillance on behalf of the Council will therefore be breaching an individual's human rights unless that surveillance is authorised in accordance with the law, is necessary for one of the reasons set out above and is proportionate.

The Regulation of Investigatory Powers Act 2000 (“RIPA”)

- 2.4 RIPA came into force on 25 September 2000; its aim is to strike a balance between protecting individuals’ rights under Article 8 ECHR and the HRA and the need for investigatory powers to protect the interests of society as a whole. RIPA allows the Council to carry out directed surveillance and/or use covert human intelligence sources (“CHIS”) lawfully if it is authorised in accordance with the provisions of RIPA, it is necessary for the purpose of preventing or detecting crime or disorder, and it is proportionate to the aims, which it seeks to achieve.
- 2.5 In order to ensure that all public bodies are using and operating the system for RIPA authorisations properly, the Office of the Surveillance Commissioner (“OSC”) carries out inspections routinely.
- 2.6 Mr Andrew Mackian of the OSC (the “Inspector”) inspected the Council on 17 August 2011. A copy of the covering letter from the Chief Surveillance Inspector dated 15 September 2011 and Mr Mackian’s report setting out his findings and recommendations are attached at Appendix 1 to this report (the “Inspection Report”).
- 2.7 Prior to the inspection it was made clear that its main purpose was to review the progress made since the last inspection (June 2008) and in particular whether the Council had discharged the recommendations made in the OSC’s report dated 6 June 2008 (the “2008 Report”) which were reported to committee on 18 November 2008.
- 2.8 The Inspector’s review of the Council’s progress is set out in paragraph 10 of the Inspection Report. Committee will note that the Inspector found that each of the recommendations made in the 2008 Report had been discharged by the Council.
- 2.9 In paragraph 11 of the Inspection Report the Inspector reviewed the Council’s policy and made an observation that “...*inclusion of the guidance within paragraph 3.6 of the CSPI Code of Practice should be considered when the next policy revision is undertaken.*” The policy has been amended to include this and a copy of the amended policy is attached at **Appendix 2**. The amendments are shown in track changes.
- 2.10 The policy has also been amended to reflect the authorisation given by committee on 18 November 2008 that the Legal Services Manager (now Head of Legal and Democratic Services) could carry out periodic reviews of the policy and amend it to the extent necessary to keep it up to date and in line with Home Office guidance.
- 2.11 In paragraph 13 of the Inspection Report the Inspector noted the training, which had been provided since the previous inspection and suggested that the legal department should consider the retention of a central training record. The legal department will adopt this suggestion.
- 2.12 In paragraphs 14 to 19 of the Inspection Report, the Inspector noted a number of significant issues. In paragraph 14, the Inspector referred to the Central Record of Authorisations held by the legal department. He noted, “*The only addition to the record for full compliance with paragraph 8.1 of the CSPI Code of Practice, is a column to record self authorisation by an Authorising Officer.*” The Central Record of Authorisations has been amended accordingly and a copy is attached at **Appendix 3**.

- 2.13 The other significant issues relate to suggestions for any future authorisations. These points have been noted by the legal department and will be taken into account in the future.
- 2.14 Three additional recommendations are made in paragraph 9 of the Inspection Report and are as follows:
- 2.14.1 Formalise the role of Senior Responsible Officer and include such detail within RIPA policy;
- 2.14.2 Future applications and authorisations to include advice provided within this report; and
- 2.14.3 Continuity to be maintained by the applicant and the Authorising Officer to the recording of signatures within applications and authorisations.
- 2.15 In response to these recommendations the Council has taken the following action:

The Senior Responsible Officer

- 2.15.1 Committee will note from paragraph 6 of the Inspection Report that paragraphs 3.28-3.30 of the Code state that it is good practice for each authority to appoint a Senior Responsible Officer who will oversee the operation of RIPA and also deal with the Surveillance Commission Inspectors and implement the recommendations of their reports. The Code also suggests that this Officer should be part of the corporate leadership team. Previously, the legal department had carried out this role on an informal basis. However, the Council's Solicitor does not sit on the corporate leadership team. This point was raised with the Inspector and Committee will note from paragraph 6 that his opinion is that the arrangements are entirely satisfactory. It is therefore proposed that the role be formalised and that Committee approve the appointment of the Council's Solicitor in this role.
- 2.15.2 The Inspector also asked that the policy be amended to reflect this. The policy has been amended accordingly and is appended to this report at Appendix 2. Committee is asked to approve this.

Future Applications and Authorisations

- 2.16 As stated above the Council's Solicitor will ensure that any future applications include the advice set out in the inspector's Report, and also that the applicant and Authorising Officer maintain continuity in the recording of signatures within applications and authorisations.
3. RISK ASSESSMENT
- 3.1 The approval of this report may have the following implications:
- Resources – None.

Technical, Environmental and Legal – The Council will be better able to pursue legal action as necessary.

Political – None.

Reputation – The Council's response to the Inspector's Report would demonstrate the Council's commitment to carrying out its responsibilities.

5. RECOMMENDED THAT COMMITTEE

5.1 Note the Inspector's recommendations.

5.2 Approve the appointment of the Council's Solicitor as the Senior Responsible Officer
Approve the amended policy.

5.3 Approve the amended Central Record of Authorisations.

5.4 Approve the amended policy.

MAIR HILL
SOLICITOR

SOLICITOR BACKGROUND PAPERS

For further information please ask for Mair Hill, on extension 3216.

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY & FINANCE COMMITTEE

DECISION

Agenda Item No 12

meeting date: 22 NOVEMBER 2011
title: TREASURY MANAGEMENT MONITORING 2011/12
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To provide you with a monitoring report on our treasury management activities for period 1 April 2011 to 31 October 2011
- 1.2 You have previously approved a treasury management policy in accordance with CIPFA's code of practice on treasury management for Local Authorities.
- 1.3 In accordance with this policy committee should receive a quarterly monitoring report on the Council's treasury management operations.

2 BACKGROUND

- 2.1 Events in recent years have raised the profile of the treasury management function and highlighted the potential serious risks involved.
- 2.2 The Council borrows any money it requires to fund its capital spending plans from the Public Works Loan Board. They make funds available for long loan periods at interest rates just below market rates and lend to Government and Public bodies. The Council rarely borrows to fund its revenue activities and is much more likely at any point in time to have surplus funds to invest.
- 2.3 On a daily basis we assess our cash flow position. To do this we estimate the funds we expect to receive e.g. council tax payments, grants, fees and shares, and deduct any known payments we expect to make e.g. precepts, creditors and salaries. On most days the Council is in a position where it has surplus funds available to invest.
- 2.4 How we invest these surplus funds is governed by the Council's Treasury Management policies and procedures agreed and reported to Policy and Finance Committee and ultimately Full Council.

The main points being:

- (i) The Council maintains a list of organisations it will lend its surplus funds to that is regularly reviewed. The current list is shown in section 7 of this report.
- (ii) The Council has maximum limits for each institution of £1.5m with the exception of the Debt Management office, where investments are guaranteed by the Government. Our limit with the DMO is currently £2.5m.
- (iii) The safety of our investments are paramount and not the requirement to maximise returns.

- (iv) Our policy has been to only lend to major British Banks and Building Societies relying on the assumption that the Government would be unlikely to allow a major bank/building society to fail.

2.5 A report was recently submitted to the budget working group to consider increasing the investment limit for the UK Debt Management Office to £5m, and also on the review of investment arrangements in light of the current financial problems within the Eurozone. The recommendations were approved by the budget working group and are included within this report for approval by this committee.

3 INFORMATION

3.1 Nationally, bank base interest rates have remained static at 0.5% in the period.

3.2 This low interest rate has had no immediate effect on the interest payable on the Council's long-term loan debt from Public Works Loan Board (PWLB), which is all at fixed interest rates. However, it has resulted in a dramatic decrease in income from our temporary investments.

3.3 As part of the Comprehensive Spending Review on 20 October 2010, the interest rate on PWLB loans was raised from 0.2 percent to 1 percent above UK Government gilts. This has no immediate affect on this Council, as all our PWLB loans are on a fixed rate. However, this will impact on any future decisions that the Council may make to borrow from the PWLB.

4 BORROWING REQUIREMENTS

4.1 The movement on the Council's external can be summarised as follows.

	PWLB £000	Other £000	Total £000
External Debt at 1 April 2011	507	7	514
Transactions - New Loans	0	2,100	2,100
- Repayments	-35	-2,100	-2,135
External debt at 31 October 2011	472	7	479

4.2 Early in this financial year the following temporary loan was taken out. This was due to a shortfall in cash balances between paying precepts to Lancashire County Council, Police and Fire Authorities and receiving council tax and NNDR direct debit income. No further temporary loans have been required since, although cash balances remain low.

Date Loan Taken	Investor	Amount £'000	Rate %	Date Repaid
21-Apr-2011	Wakefield MBC	2,100	0.45	03-May-2011

4.3 The total interest paid on the Council's external debt during the period was £12,214 compared with £13,817 in the previous year.

5 INVESTMENTS

5.1 In accordance with the treasury management policy, surplus funds are temporarily invested via the money market at the best rate of interest available with the minimisation of risk to the capital sum.

5.2 The average interest we received on all external investments for the period 1 April 2011 to 31 October 2011 was 0.27%, which slightly below the average local authority seven-day notice deposit rate of 0.37%, this is mainly due to the short-term nature of the investments placed and minimisation of the risk to the capital sum.

5.3 The movement in the Council's external investments are shown in Annex 1 and can be summarised as follows:

	Banks/ Building Societies £000	Other Local Authorities £000	Total £000
Monies Invested at 1 April 2011	280	0	280
Transactions - New Investments	42,985	0	42,985
- Repayment of Investments	-38,355	-0	-38,355
Monies Invested as at 31 October 2011	4,910	0	4,910

5.4 The following investments were held as at 31 October 2011.

Date Invested	Nos	Borrower	Notice	Rate %	£'000	£'000
14 Oct'11	155	Debt Management office	Fixed 11/11	0.25	400	
17 Oct'11	157	Debt Management office	Fixed 24/11	0.25	630	
28 Oct'11	169	Debt Management office	Fixed 07/11	0.25	500	
31 Oct'11	171	Debt Management office	Fixed 22/11	0.25	600	
31 Oct'11	172	Debt Management office	Fixed 24/11	0.25	1,800	
						3,930
21 Oct'11	165	HSBC	Fixed 03/11	0.31	230	
28 Oct'11	168	HSBC	Fixed 07/11	0.31	250	
						480
19 Oct'11	162	Barclays Bank Plc	Fixed 03/11	0.441	250	
28 Oct'11	170	Barclays Bank Plc	Fixed 14/11	0.444	250	
						500
Total Investments as at 31 October 2011						4,910

5.5 The total interest received on the Council's external investments during the period was £4,951 compared with £6,648 in the previous year.

6 PRUDENTIAL INDICATORS

6.1 The Prudential Code for Capital Finance in Local Authorities (the Code) initially came into effect from 1 April 2004. It regulates the Council's ability to undertake new capital investment.

6.2 It was recently revised to take account of the implications of the implementation of the International Financial Reporting Standard (IFRS).

6.3 In accordance with this Code the Council agreed to monitor four prudential indicators as follows. This committee approved these in March 2011.

- ❖ Upper limits on variable rate exposure. This indicator identifies a maximum limit for variable interest rates based upon the debt provision net of investments.
- ❖ Upper limits on fixed rate exposure. Similar to the previous indicators, this covers a maximum limit on fixed interest rates
- ❖ Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.
- ❖ Total principal funds invested for a period longer than 364 days. These limits are set to reduce the need for early sale of an investment and are based on the availability of investments after each year-end

6.4 The limits set on interest rate exposures for 2011/12 were as follows:

	Upper Limit £000	Current Actual £000
Maximum Principal Sums Borrowed >364 days	7,601	515
Limits on Fixed Interest Rates	7,601	2,615
Limits on Variable Interest Rates	1,520	0

6.5 The upper and lower limits for the maturity structure of its borrowings for 2011/12 were as follows:

	Upper Limit %	Lower Limit %	Current Actual %
Under 12 months	20	0	13.82
12 Months and Within 24 Months	20	0	13.82
24 Months and Within 5 Years	40	0	31.05
5 Years and Within 10 Years	30	0	17.39
10 Years and Above	90	0	23.92

6.6 The total principal funds invested for a period longer than 364 days was set at nil. No investments have been made in the period for longer than 364 days.

7 APPROVED ORGANISATIONS

7.1 The Fitch credit ratings, which we use as an indication of the probability of organisations defaulting on our investments, are defined in Annex 2. They only show an indication of the current credit position. They are being monitored on a regular basis and any significant changes will be reported to this committee.

7.2 It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets, these are:

Name	Current Ranking	Previous Ranking	Fitch Rating			
	July'11	May'11	Long Term	Full Transaction Review Date	Short Term	Full Transaction Review Date
Nationwide	1	1	AA -	09.11.10	F1+	09.11.10
Yorkshire	2	2	A -	20.04.11	F2	20.04.11
Coventry	3	3	A	15.11.10	F1	15.11.10
Skipton	4	4	A -	15.11.10	F2	15.11.10
Leeds	5	5	A	15.11.10	F1	15.11.10
West Bromwich	6	6	BBB -	15.11.10	F3	15.11.10
Principality	7	7	BBB +	15.11.10	F2	15.11.10
Newcastle	8	8	BBB -	15.11.10	F3	15.11.10

7.3 The banks we use were reviewed in November 2002 to take into account of their Fitch IBCA long-term and short-term credit rating. The current ratings are as follows:

Name	Fitch Rating			
	Long Term	Full Transaction Review Date	Short Term	Full Transaction Review Date
Santander UK Plc *	AA -	20.01.11	F1+	20.01.11
Barclays Bank Plc	AA -	23.08.11	F1+	23.08.11
Bank of Scotland Plc *	AA -	14.12.10	F1+	14.12.10
Bradford & Bingley Bank Plc *	A +	17.06.11	F1+	17.06.11
Co-operative Bank (The)	A -	04.08.11	F2	04.08.11
HSBC Bank Plc *	AA	14.12.10	F1+	14.12.10
Lloyds TSB Bank Plc *	AA -	14.12.10	F1+	14.12.10
National Westminster Bank Plc *	AA -	29.06.11	F1+	29.06.11
Northern Rock (Asset Management) Plc. *	A +	15.12.10	F1+	15.12.10

Name	Fitch Rating			
	Long Term	Full Transaction Review Date	Short Term	Full Transaction Review Date
Royal Bank of Scotland Plc (The) *	AA -	29.06.11	F1+	29.06.11

* Not updated since last reported.

7.3 In addition to the Building societies and banks we use for investments, also approved for use is the United Kingdom Debt Management Office, where investments are guaranteed by the Government.

8 RECENT EVENTS

8.1 Recent months and weeks have seen repeated turmoil in the financial markets due to concerns in the Eurozone. Both Moody's and Fitch have downgraded the credit ratings of a number of UK banks and building societies in the last two weeks. These downgrades are a consequence of the Government's policy to reduce the likelihood that they would be bailed out in a crisis i.e. **they should be viewed as a transfer of risk from** taxpayers to the bank's creditors.

8.2 You may recall previously we always worked on the belief that if a major British bank or building society got into financial trouble the Government of the day would rescue them because to not do so would have considerable ramifications across financial markets. However, given the tremendous uncertainty in the money markets at the current time we can no longer be assured this would be the case.

8.3 To ensure our exposure is limited as far as possible, we have re-introduced the following measures:

- (i) Daily early morning meetings to discuss the latest position
 - ❖ Lending arrangements
 - ❖ A review of the Markets
 - ❖ A review of our current investments and whether we consider they are still safe
 - ❖ Institution Ratings
- (ii) Authorisation prior to investments with either the Director of Resources or the Head of Financial Services
- (iii) Keep Leader/Chief Executive informed
- (iv) Look to arrange new secure options for investments

9 REVIEW OF ARRANGEMENTS

9.1 List of Approved Organisations

We have reviewed our list of Approved Organisations for investment and would recommend:

- (i) Use more extensively our Debt Management Account Deposit Facility with the United Kingdom Debt Management Office.

Any investments with them are guaranteed by HM Government and they say they pay market rates for fixed term deposits, in reality though rates are somewhat lower than the prevailing market rates. However, these investments offer the least risk in such times of uncertainty and as such the rate reflects the security of the investment.

9.2 Lending Limits

Currently we have the following limits:

- (i) A limit of £1.5m at any one time per institution except for the DMO which is £2.5m.

The rationale behind this limit being to spread the risk.

- (ii) We also have a limit of £500k on call at any one time

This is money we can get back at short notice rather than have invested to a fixed date. Providing we manage our cash flow properly this limit is not required.

We have decided in the interim period to only invest over relatively short time periods with Banks and Building Societies whilst there is such uncertainty and volatility.

10 CONCLUSION

- 10.1 It is essential to minimise the risk to the capital sum. This is taking precedence over the interest rates we are obtaining from investments. With interest rates remaining at their low levels the amount of income we receive from investing our surplus cash balances is fairly inconsequential when compared to previous years

11 RECOMMENDED THAT COMMITTEE

- 11.1 Agree to the restatement of the measures that have been introduced on investing surplus funds for the foreseeable future.
- 11.2 Consider increasing the limit with the Debt Management Office to £5m.
- 11.3 Keep under review our Treasury Management Arrangements.

SENIOR ACCOUNTANT

PF64-11/TH/AC
8 November 2011

POLICY AND FINANCE COMMITTEE

TEMPORARY INVESTMENT ACTIVITY - 2011/12

Date Invested	Temp Invest. Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received/ Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
INVESTMENTS BROUGHT FORWARD @ 1 APRIL 2011									
31-Mar-11	283	HSBC	80,000	0.310	1-Apr-11 Debtor	-80,000	-0.68 0.68	AA	F1+
31-Mar-11	284	HSBC	200,000	0.310	11-Apr-11 Debtor	-200,000	-18.68 1.70	AA	F1+
Monies invested at 1 April 2011			280,000			-280,000	-16.98		
NEW INVESTMENTS - 2011/12									
Apr									
1-Apr-11	1	Skipton BS	200,000	0.450	14-Apr-11	-200,000	-32.05	A-	F2
1-Apr-11	2	Skipton BS	140,000	0.450	18-Apr-11		-29.34	A-	F2
18-Apr-11	2	Skipton BS	Rolled Over	0.400	21-Apr-11	-140,000	-4.60	A-	F2
4-Apr-11	3	HSBC	250,000	0.310	19-Apr-11	-250,000	-31.85	AA	F1+
5-Apr-11	4	HSBC	80,000	0.310	6-Apr-11	-80,000	-0.68	AA	F1+
6-Apr-11	5	HSBC	130,000	0.310	11-Apr-11	-130,000	-5.52	AA	F1+
8-Apr-11	6	HSBC	70,000	0.310	11-Apr-11	-70,000	-1.78	AA	F1+
11-Apr-11	7	HSBC	50,000	0.310	19-Apr-11	-50,000	-3.40	AA	F1+
11-Apr-11	8	Skipton BS	300,000	0.450	21-Apr-11	-300,000	-36.99	A-	F2
12-Apr-11	9	HSBC	65,000	0.310	13-Apr-11	-65,000	-0.55	AA	F1+
13-Apr-11	10	HSBC	50,000	0.310	14-Apr-11	-50,000	-0.42	AA	F1+

Date Invested	Temp Invest. Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received/ Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
13-Apr-11	11	HSBC	150,000	0.310	18-Apr-11	-150,000	-6.37	AA	F1+
14-Apr-11	12	HSBC	150,000	0.310	21-Apr-11	-150,000	-8.92	AA	F1+
15-Apr-11	13	Skipton BS	750,000	0.430	21-Apr-11	-750,000	-53.01	A-	F2
18-Apr-11	14	HSBC	90,000	0.310	18-Apr-11	-90,000	-0.76	AA	F1+
19-Apr-11	15	HSBC	150,000	0.310	21-Apr-11	-150,000	-2.55	AA	F1+
20-Apr-11	16	HSBC	100,000	0.310	21-Apr-11	-100,000	-0.85	AA	F1+
21-Apr-11	17	HSBC	300,000	0.310	26-Apr-11	-300,000	-12.74	AA	F1+
26-Apr-11	18	HSBC	70,000	0.310	27-Apr-11	-70,000	-0.59	AA	F1+
26-Apr-11	19	HSBC	100,000	0.310	28-Apr-11	-100,000	-1.70	AA	F1+
27-Apr-11	20	Skipton BS	340,000	0.450	13-May-11	-340,000	-67.07	A-	F2
27-Apr-11	21	HSBC	140,000	0.310	3-May-11	-140,000	-7.13	AA	F1+
27-Apr-11	22	HSBC	100,000	0.310	9-May-11	-100,000	-10.19	AA	F1+
28-Apr-11	23	HSBC	460,000	0.310	4-May-11	-460,000	-23.44	AA	F1+
28-Apr-11	24	HSBC	100,000	0.310	9-May-11	-100,000	-9.34	AA	F1+
28-Apr-11	25	Skipton BS	200,000	0.450	20-May-11	-200,000	-54.25	A-	F2
			4,535,000			-4,535,000	-406.09		
May									
3-May-11	26	HSBC	130,000	0.310	4-May-11	-130,000	-1.10	AA	F1+
4-May-11	27	HSBC	100,000	0.310	23-May-11	-100,000	-16.14	AA	F1+
4-May-11	28	HSBC	150,000	0.310	9-May-11	-150,000	-6.37	AA	F1+
5-May-11	29	HSBC	100,000	0.310	23-May-11	-100,000	-15.29	AA	F1+
9-May-11	30	Skipton BS	400,000	0.450	23-May-11	0	-69.04	A-	F2
23-May-11	30	Skipton BS	Rolled Over	0.450	1-Jun-11	-400,000	-44.38	A-	F2
10-May-11	31	HSBC	150,000	0.310	19-May-11	-150,000	-11.47	AA	F1+
11-May-11	32	HSBC	90,000	0.310	12-May-11	-90,000	-0.76	AA	F1+
12-May-11	33	HSBC	150,000	0.310	23-May-11	-150,000	-14.01	AA	F1+
13-May-11	34	HSBC	200,000	0.310	19-May-11	-200,000	-10.19	AA	F1+
16-May-11	35	HSBC	200,000	0.310	19-May-11	-200,000	-5.10	AA	F1+

Date Invested	Temp Invest. Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received/ Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
16-May-11	36	Skipton BS	600,000	0.460	1-Jun-11	-600,000	-120.99	A-	F2
17-May-11	37	HSBC	80,000	0.310	18-May-11	-80,000	-0.68	AA	F1+
18-May-11	38	HSBC	150,000	0.310	23-May-11	-150,000	-6.37	AA	F1+
19-May-11	39	HSBC	60,000	0.310	23-May-11	-60,000	-2.04	AA	F1+
20-May-11	40	HSBC	150,000	0.310	23-May-11	-150,000	-3.82	AA	F1+
23-May-11	41	HSBC	50,000	0.310	24-May-11	-50,000	-0.42	AA	F1+
23-May-11	42	HSBC	190,000	0.310	1-Jun-11	-190,000	-14.52	AA	F1+
24-May-11	43	HSBC	135,000	0.310	25-May-11	-135,000	-1.15	AA	F1+
25-May-11	44	HSBC	180,000	0.310	26-May-11	-180,000	-1.53	AA	F1+
26-May-11	45	Skipton BS	240,000	0.430	1-Jun-11	-240,000	-16.96	A-	F2
27-May-11	46a	HSBC	70,000	0.310	1-Jun-11	-70,000	-2.97	AA	F1+
31-May-11	46b	Skipton BS	260,000	0.370	1-Jun-11	-260,000	-2.64	A-	F2
31-May-11	47	Barclays Bank	1,500,000	0.300	1-Jun-11	-1,500,000	-18.49	AA-	F1+
31-May-11	48	Yorkshire BS	550,000	0.300	20-Jun-11	-550,000	-90.41	A-	F2
31-May-11	49	HSBC	180,000	0.310	1-Jun-11	-180,000	-1.53	AA	F1+
31-May-11	50	HSBC	250,000	0.310	6-Jun-11	-250,000	-12.74	AA	F1+
31-May-11	51	HSBC	250,000	0.310	13-Jun-11	-250,000	-27.60	AA	F1+
			6,565,000			-6,565,000	-518.71		
June									
1-Jun-11	52	HSBC	125,000	0.310	2-Jun-11	-125,000	-1.06	AA	F1+
2-Jun-11	53	HSBC	130,000	0.310	17-Jun-11	-130,000	-16.56	AA	F1+
3-Jun-11	54	HSBC	50,000	0.310	6-Jun-11	-50,000	-1.27	AA	F1+
6-Jun-11	55	Skipton BS	250,000	0.450	22-Jun-11	-250,000	-49.32	A-	F2
7-Jun-11	56	HSBC	125,000	0.310	8-Jun-11	-125,000	-1.06	AA	F1+
8-Jun-11	57	HSBC	150,000	0.310	10-Jun-11	-150,000	-2.55	AA	F1+
9-Jun-11	58	HSBC	90,000	0.310	10-Jun-11	-90,000	-0.76	AA	F1+
10-Jun-11	59	Skipton BS	420,000	0.460	4-Jul-11	-420,000	-127.04	A-	F2
13-Jun-11	60	HSBC	250,000	0.310	22-Jun-11	-250,000	-19.11	AA	F1+

Date Invested	Temp Invest. Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received/ Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
14-Jun-11	61	HSBC	80,000	0.310	15-Jun-11	-80,000	-0.68	AA	F1+
15-Jun-11	62	HSBC	250,000	0.310	20-Jun-11	-250,000	-10.62	AA	F1+
15-Jun-11	63	Skipton BS	500,000	0.480	6-Jul-11	-500,000	-138.08	A-	F2
17-Jun-11	64	HSBC	120,000	0.310	27-Jun-11	-120,000	-10.19	AA	F1+
20-Jun-11	65	HSBC	100,000	0.310	22-Jun-11	-100,000	-1.70	AA	F1+
20-Jun-11	66	HSBC	150,000	0.310	27-Jun-11	-150,000	-8.92	AA	F1+
21-Jun-11	67	HSBC	70,000	0.310	22-Jun-11	-70,000	-0.59	AA	F1+
22-Jun-11	68	HSBC	130,000	0.310	4-Jul-11	-130,000	-13.25	AA	F1+
23-Jun-11	69	HSBC	100,000	0.310	27-Jun-11	-100,000	-3.40	AA	F1+
27-Jun-11	70	Skipton BS	350,000	0.450	6-Jul-11	-350,000	-38.84	A-	F2
28-Jun-11	71	HSBC	700,000	0.310	6-Jul-11	-700,000	-47.56	AA	F1+
29-Jun-11	72	HSBC	90,000	0.310	4-Jul-11	-90,000	-3.82	AA	F1+
30-Jun-11	73	Nationwide Bs	1,400,000	0.510	6-Jul-11	-1,400,000	-117.37	AA-	F1+
30-Jun-11	74	HSBC	150,000	0.310	11-Jul-11	-150,000	-14.01	AA	F1+
30-Jun-11	75	Barclays Bank	850,000	0.351	18-Jul-11	-850,000	-147.13	AA-	F1+
			6,630,000			-6,630,000	-774.89		
July									
1-Jul-11	76	HSBC	150,000	0.310	4-Jul-11	-150,000	-3.82	AA	F1+
4-Jul-11	77	Skipton BS	250,000	0.450	19-Jul-11	-250,000	-46.23	A-	F2
5-Jul-11	78	HSBC	95,000	0.310	6-Jul-11	-95,000	-0.81	AA	F1+
6-Jul-11	79	HSBC	130,000	0.310	11-Jul-11	-130,000	-5.52	AA	F1+
8-Jul-11	80	HSBC	80,000	0.310	11-Jul-11	-80,000	-2.04	AA	F1+
11-Jul-11	81	Skipton BS	300,000	0.450	19-Jul-11	-300,000	-29.59	A-	F2
11-Jul-11	82	HSBC	100,000	0.310	13-Jul-11	-100,000	-1.70	AA	F1+
13-Jul-11	83	HSBC	200,000	0.310	15-Jul-11	-200,000	-3.40	AA	F1+
14-Jul-11	84	HSBC	100,000	0.310	15-Jul-11	-100,000	-0.85	AA	F1+
15-Jul-11	85	Skipton BS	500,000	0.450	3-Aug-11	-500,000	-117.12	A-	F2
15-Jul-11	86	Skipton BS	450,000	0.480	10-Aug-11	-450,000	-153.86	A-	F2

Date Invested	Temp Invest. Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received/ Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
18-Jul-11	87	Barclays Bank	300,000	0.420	8-Aug-11	0	-72.49	AA-	F1+
8-Aug-11	87	Barclays Bank	Rolled Over	0.045	22-Aug-11	-300,000	-47.18	AA-	F1+
18-Jul-11	88	HSBC	90,000	0.310	22-Jul-11	-90,000	-3.06	AA	F1+
20-Jul-11	89	HSBC	100,000	0.310	21-Jul-11	-100,000	-0.85	AA	F1+
21-Jul-11	90	HSBC	160,000	0.310	25-Jul-11	-160,000	-5.44	AA	F1+
25-Jul-11	91	HSBC	110,000	0.310	26-Jul-11	-110,000	-0.93	AA	F1+
26-Jul-11	92	Skipton BS	200,000	0.450	10-Aug-11	-200,000	-36.99	A-	F2
28-Jul-11	93	Barclays Bank	700,000	0.418	10-Aug-11	-700,000	-104.21	AA-	F1+
29-Jul-11	94	HSBC	80,000	0.310	19-Aug-11	-80,000	-14.27	AA	F1+
			4,095,000			-4,095,000	-650.36		
Aug									
1-Aug-11	95	Barclays Bank	450,000	0.420	22-Aug-11		-108.74	AA-	F1+
22-Aug-11	95	Barclays Bank	Rolled Over	0.398	15-Sep-11	-450,000	-117.76	AA-	F1+
1-Aug-11	96	Skipton Bs	300,000	0.450	15-Aug-11		-51.78	A-	F2
15-Aug-11	96	Skipton BS	Rolled Over	0.550	12-Sep-11		-126.58	A-	F2
12-Sep-11	96	Skipton BS	Rolled Over	0.480	3-Oct-11	-300,000	-82.85	A-	F2
1-Aug-11	97	HSBC	100,000	0.310	10-Aug-11	-100,000	-7.64	AA	F1+
1-Aug-11	98	Co-operative Bank	1,500,000	0.470	10-Aug-11	-1,500,000	-173.84	A-	F2
2-Aug-11	99	HSBC	60,000	0.310	3-Aug-11	-60,000	-0.51	AA	F1+
3-Aug-11	100	HSBC	120,000	0.310	8-Aug-11	-120,000	-5.10	AA	F1+
5-Aug-11	101	HSBC	140,000	0.310	8-Aug-11	-140,000	-3.57	AA	F1+
8-Aug-11	102	HSBC	150,000	0.310	9-Aug-11	-150,000	-1.27	AA	F1+
8-Aug-11	103	HSBC	100,000	0.310	15-Aug-11	-100,000	-5.95	AA	F1+
9-Aug-11	104	HSBC	200,000	0.310	10-Aug-11	-200,000	-1.70	AA	F1+
10-Aug-11	105	HSBC	130,000	0.310	11-Aug-11	-130,000	-1.10	AA	F1+
10-Aug-11	106	HSBC	145,000	0.310	15-Aug-11	-145,000	-6.16	AA	F1+
11-Aug-11	107	HSBC	70,000	0.310	12-Aug-11	-70,000	-0.59	AA	F1+
12-Aug-11	108	Skipton Bs	250,000	0.550	12-Sep-11		-116.78	A-	F2

Date Invested	Temp Invest. Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received/ Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
12-Sep-11	108	Skipton BS	Rolled Over	0.450	26-Sep-11		-43.15	A-	F2
26-Sep-11	108	Skipton BS	Rolled Over	0.450	10-Oct-11	-250,000	-43.15	A-	F2
15-Aug-11	109	HSBC	130,000	0.310	16-Aug-11	-130,000	-1.10	AA	F1+
16-Aug-11	110	HSBC	150,000	0.310	22-Aug-11	-150,000	-7.64	AA	F1+
17-Aug-11	111	Skipton Bs	250,000	0.460	1-Sep-11	-250,000	-47.26	A-	F2
18-Aug-11	112	HSBC	80,000	0.310	22-Aug-11	-80,000	-2.72	AA	F1+
19-Aug-11	113	HSBC	70,000	0.310	22-Aug-11	-70,000	-1.78	AA	F1+
22-Aug-11	114	HSBC	80,000	0.310	23-Aug-11	-80,000	-0.68	AA	F1+
24-Aug-11	115	HSBC	80,000	0.310	25-Aug-11	-80,000	-0.68	AA	F1+
25-Aug-11	116	HSBC	120,000	0.310	1-Sep-11	-120,000	-7.13	AA	F1+
30-Aug-11	117	Skipton Bs	650,000	0.460	15-Sep-11	-650,000	-131.07	A-	F2
31-Aug-11	118	HSBC	100,000	0.310	1-Sep-11	-100,000	-0.85	AA	F1+
31-Aug-11	119	HSBC	200,000	0.310	5-Sep-11	-200,000	-8.49	AA	F1+
31-Aug-11	120	HSBC	200,000	0.310	12-Sep-11	-200,000	-20.38	AA	F1+
31-Aug-11	121	Nationwide Bs	1,500,000	0.420	15-Sep-11	-1,500,000	-258.90	AA-	F1+
31-Aug-11	122	Barclays Bank	450,000	0.437	19-Sep-11	-450,000	-102.37	AA-	F1+
			7,775,000			-7,775,000	-1,489.27		
Sept									
1-Sep-11	123	HSBC	100,000	0.310	5-Sep-11	-100,000	-3.40	AA	F1+
2-Sep-11	124	HSBC	70,000	0.310	5-Sep-11	-70,000	-1.78	AA	F1+
5-Sep-11	125	Skipton BS	300,000	0.450	22-Sep-11	-300,000	-62.88	A-	F2
6-Sep-11	126	HSBC	70,000	0.310	7-Sep-11	-70,000	-0.59	AA	F1+
7-Sep-11	127	HSBC	100,000	0.310	12-Sep-11	-100,000	-4.25	AA	F1+
8-Sep-11	128	HSBC	100,000	0.310	12-Sep-11	-100,000	-3.40	AA	F1+
9-Sep-11	129	HSBC	190,000	0.310	12-Sep-11	-190,000	-4.84	AA	F1+
13-Sep-11	130	HSBC	90,000	0.310	14-Sep-11	-90,000	-0.76	AA	F1+
14-Sep-11	131	HSBC	130,000	0.310	15-Sep-11	-130,000	-1.10	AA	F1+
15-Sep-11	132	HSBC	300,000	0.310	22-Sep-11	-300,000	-17.84	AA	F1+

Date Invested	Temp Invest. Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received/ Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
16-Sep-11	133	HSBC	100,000	0.310	19-Sep-11	-100,000	-2.55	AA	F1+
19-Sep-11	134	Yorkshire BS	400,000	0.300	10-Oct-11	-400,000	-69.04	A-	F2
20-Sep-11	135	HSBC	70,000	0.310	21-Sep-11	-70,000	-0.59	AA	F1+
21-Sep-11	136	HSBC	150,000	0.310	3-Oct-11	-150,000	-15.29	AA	F1+
22-Sep-11	137	HSBC	70,000	0.310	23-Sep-11	-70,000	-0.59	AA	F1+
23-Sep-11	138	HSBC	130,000	0.310	26-Sep-11	-130,000	-3.31	AA	F1+
26-Sep-11	139	HSBC	80,000	0.310	27-Sep-11	-80,000	-0.68	AA	F1+
27-Sep-11	140	HSBC	120,000	0.310	28-Sep-11	-120,000	-1.02	AA	F1+
28-Sep-11	141	Skipton BS	350,000	0.450	14-Oct-11	-350,000	-69.04	A-	F2
28-Sep-11	142	Yorkshire BS	450,000	0.300	19-Oct-11	-450,000	-77.67	A-	F2
30-Sep-11	143	DMADF	1,000,000	0.250	20-Oct-11	-1,000,000	-136.99	AAA	-
30-Sep-11	144	Nationwide Bs	1,000,000	0.370	3-Oct-11		-70.96	AA-	F1+
7-Oct-11	144	Nationwide Bs	Rolled Over	0.410	20-Oct-11	-1,000,000	-146.03	AA-	F1+
30-Sep-11	145	HSBC	370,000	0.310	7-Oct-11	-370,000	-22.00	AA	F1+
30-Sep-11	146	HSBC	100,000	0.310	3-Oct-11	-100,000	-2.55	AA	F1+
			5,840,000			-5,840,000	-719.15		
Oct									
3-Oct-11	147	HSBC	85,000	0.310	4-Oct-11	-85,000	-0.72	AA	F1+
4-Oct-11	148	HSBC	90,000	0.310	5-Oct-11	-90,000	-0.76	AA	F1+
5-Oct-11	149	HSBC	140,000	0.310	7-Oct-11	-140,000	-2.38	AA	F1+
7-Oct-11	150	HSBC	200,000	0.310	17-Oct-11	-200,000	-16.99	AA	F1+
7-Oct-11	151	Skipton BS	400,000	0.450	20-Oct-11	-400,000	-64.11	A-	F2
10-Oct-11	152	Barclays Bank	200,000	0.434	20-Oct-11	-200,000	-23.78	AA-	F1+
12-Oct-11	153	HSBC	90,000	0.310	13-Oct-11	-90,000	-0.76	AA	F1+
13-Oct-11	154	HSBC	160,000	0.310	14-Oct-11	-160,000	-1.36	AA	F1+
14-Oct-11	155	DMO	400,000	0.250	Still Outstanding		-49.32	AAA	-
17-Oct-11	156	Barclays Bank	200,000	0.400	24-Oct-11	-200,000	-15.34	AA-	F1+
17-Oct-11	157	DMO	630,000	0.250	Still Outstanding		-64.73	AAA	-

Date Invested	Temp Invest. Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received/ Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
17-Oct-11	158	HSBC	100,000	0.310	19-Oct-11	-100,000	-1.70	AA	F1+
17-Oct-11	159	HSBC	350,000	0.310	20-Oct-11	-350,000	-8.92	AA	F1+
17-Oct-11	160	HSBC	110,000	0.310	21-Oct-11	-110,000	-3.74	AA	F1+
18-Oct-11	161	HSBC	120,000	0.310	19-Oct-11	-120,000	-1.02	AA	F1+
19-Oct-11	162	Barclays Bank	250,000	0.441	Still Outstanding		-39.27	AA-	F1+
19-Oct-11	163	HSBC	80,000	0.310	20-Oct-11	-80,000	-0.68	AA	F1+
20-Oct-11	164	HSBC	80,000	0.310	21-Oct-11	-80,000	-0.68	AA	F1+
21-Oct-11	165	HSBC	230,000	0.310	Still Outstanding		-21.49	AA	F1+
24-Oct-11	166	HSBC	160,000	0.310	28-Oct-11	-160,000	-5.44	AA	F1+
26-Oct-11	167	HSBC	70,000	0.310	28-Oct-11	-70,000	-1.19	AA	F1+
28-Oct-11	168	HSBC	250,000	0.310	Still Outstanding		-8.49	AA	F1+
28-Oct-11	169	DMO	500,000	0.250	Still Outstanding		-13.70	AAA	-
28-Oct-11	170	Barclays Bank	250,000	0.440	Still Outstanding		-12.16	AA-	F1+
31-Oct-11	171	DMO	600,000	0.250	Still Outstanding		-4.11	AAA	-
31-Oct-11	172	DMO	1,800,000	0.250	Still Outstanding		12.33	AAA	-
			7,545,000			-2,635,000	-350.51		
Total Investments made April to October 2011			42,985,000			-38,075,000	-4,908.98		
Total Investment 2011/12			43,265,000			-38,355,000	-4,925.96		
INVESTMENTS OUTSTANDING @ 31 October 2011									
14-Oct-11	155	DMO	400,000	0.250					
17-Oct-11	157	DMO	630,000	0.250					
19-Oct-11	162	Barclays Bank	250,000	0.441					
21-Oct-11	165	HSBC	230,000	0.310					
28-Oct-11	168	HSBC	250,000	0.310					

Date Invested	Temp Invest. Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received/ Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
28-Oct-11	169	DMO	500,000	0.250					
28-Oct-11	170	Barclays Bank	250,000	0.440					
31-Oct-11	171	DMO	600,000	0.250					
31-Oct-11	172	DMO	1,800,000	0.250					
Monies invested at 31 October 2011			4,910,000						

POLICY AND FINANCE COMMITTEE

Fitch Rating Definitions	
International Long-Term Credit Ratings	
Long-term credit rating can be used as a benchmark measure of probability of default.	
AAA	Highest credit quality. 'AAA' denotes the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality. 'AA' ratings denote expectation of low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A	High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than in the case for higher ratings.
BBB	Moderate default risk. 'BBB' National Ratings denote a moderate default risk relative to other issuers or obligations in the same country. However, changes in circumstances or economic conditions are more likely to affect the capacity for timely repayment than is the case for financial commitments denoted by a higher rated category
International Short-Term Credit ratings	
Short-term rating has a time horizon of less than 13 months for most obligations and thus places greater emphasis on the liquidity necessary to meet financial commitments	
F1	Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.
F2	Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
F3	Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non-investment grade.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 22ND NOVEMBER 2011
title: RDPE ACTIVITY REPORT
submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE
principal author: CRAIG MATTHEWS – RURAL REGENERATION OFFICER

1 PURPOSE

1.1 To receive information on the Rural Development Programme for England and its activities in the Pennine Lancashire programme area.

1.2 Relevance to the Council's ambitions and priorities

- Council Ambitions - In addition to Ribble Valley Borough Council striving to meet its three ambitions, it also recognises the importance of securing a diverse, sustainable economic base for the Borough. The work of the Rural Development Programme aims to support this.
- Community Objectives – The issues highlighted in this report will contribute to objectives of a sustainable economy and thriving market towns.
- Corporate Priorities - Delivery of services to all
- Other Considerations - None

2 INFORMATION

2.1 The Rural Development Programme for England (RDPE) is jointly funded by the European Union and the Department for Environment, Food and Rural Affairs (DEFRA). The aims of the programme are to safeguard and enhance the rural environment, improve the competitiveness of the agricultural sector and foster sustainable and thriving rural businesses and rural economies across England. The programme is focussed on the following themes, or axis, these are:

- Axis 1 – improving the competitiveness of the farming and forestry sectors
- Axis 2 – improving the environment and the countryside
- Axis 3 – rural quality of life and diversification of the rural economy
- Axis 4 – management, administration and the LEADER approach

2.2 To meet European Commission requirements, programme delivery in sub-regional areas such as Lancashire is overseen by Local Action Groups (LAGs). In Lancashire 3 LAGs were set up to manage the RDPE programme of activity under Axis 1, 3 & 4, whilst Axis 2 is being delivered by Natural England and the Forestry Commission: -

- Lancashire West (West Lancashire, South Ribble, Chorley and Preston)
- North Lancashire (Lancaster, Fylde and Wyre)
- Pennine Lancashire (Ribble Valley, Pendle, Burnley, Rossendale, Hyndburn and Blackburn with Darwen)

- 2.3 As part of the Government's last Comprehensive Spending Review DEFRA have been undertaking a full review of departmental budgets including considering the appropriate arrangements for the continued delivery of the socio-economic elements (Axis 1, 3 & 4) for the remainder of the programme period to 2013. Whilst RDPE is set to continue, there will be a lower budget overall following wider reductions in Government spending and there will also be some other changes to the programme following closure of the Northwest Development Agency as it moves towards national delivery arrangements by DEFRA at national level.
- 2.4 The original budget for the Axis 1, 3 & 4 elements of RDPE in Pennine Lancashire was for a £3.2 million programme between 2009-2013, which includes £2.7 million in direct grant aid (projects funding) with the balance to cover other elements of the programme to include such things as staffing, research and project development costs (Axis 4). Since the last meeting DEFRA have informed each LAG of new budget arrangements. The key of these for Pennine being a reduction in the budget by 10% - total of £256,112 out of projects funding. This is a significantly lower reduction than expected given that the level of cuts across the country has been higher than 20%. DEFRA invited the LAG to determine where these savings could be made. It was decided that Measure 111 training and information actions would be the most appropriate given that this activity could be supported under other measures based on a project by project basis and the level of demand being much higher under measures within Axis 3.
- 2.5 As previously stated responsibility for delivery of the RDPE socio-economic elements (Axis 1, 3 & 4) were undertaken by the Northwest Development Agency and as of 1 July 2011 this has now transferred to DEFRA. This has also slowed the progress of applications during this period under those measures other than Measure 312 and Ribble Valley and Pennine Lancashire businesses have and are continuing to benefit from the RDPE whilst DEFRA have been making their arrangements to carry this fund forward. As detailed in the next sections of this report.
- 2.6 Measure 111 Vocational Training and information Actions: as stated earlier in this report, DEFRA invited the LAG to propose further changes to the budget with the flexibility to via funds between Axis 1 & 3. This was seen as an opportunity to better align the whole Pennine RDPE budget and at its last meeting the LAG agreed to move a total of £600,000 (all of the Measure 111 budget) from Axis 1 into Axis 3 to support business development in the current economic climate especially given the programme has excess demand under Axis 3 particularly micro enterprise and tourism projects in development.
- 2.7 Measure 123 Adding Value to Agriculture & Forestry Products: there is currently 1 additional project under development in this measure and 3 projects have been approved: -
- Bowland Bio-energy, Downham, Ribble Valley: the company is involved in the supply of renewable energy wood fuel for biomass heating equipment. They have been established around 6 years and are in a position of growth. The project is to construct a new timber drying and processing facility for wood chip supply. This will reduce timber drying time meaning they can turn over stock more quickly thus increasing profitability.
 - Dove Syke Cider, West Bradford, Ribble Valley: this project is for the creation of a craft cider business, and provide processing and packaging equipment, using the apples which are grown in an existing nearby orchard.
 - Outdoor Screens Ltd, Clayton-le-Dale, Ribble Valley: this project has supported the expansion and relocation of an existing enterprise. The business

manufactures and retails wooden screens for the residential market, to hide such things as wheelie bins and boxes.

2.8 Measure 124 Co-operation for development of new products, processes and technologies: there are a number of proposals under development within this measure, however, currently only 1 approved project and should no other proposals come forward the LAG are arranging with DEFRA to move any surplus budget into Axis 3.: -

- Biomass Research, Pennine Lancashire wide: this research project by a local scientist will explore opportunities to significantly shorten the small-scale woodchip supply chain, increasing its competitiveness. The first report from the research has now been submitted showing positive results.

2.9 Measure 311 Diversification into non-agricultural activities: 2 projects have been approved under this measure: -

- Wellybobs Farm Park, Darwen, Blackburn with Darwen: the project is sited at the family owned Davyfield Farm featuring petting farm, picnic facilities, cafe and shop, indoor soft play area, indoor and outdoor adventure play areas for families, schools, group visits and parties.
- Yellowhill Farm Rides, Pleasington, Blackburn with Darwen: the farm is located within the Witton Park Estate - the project is a tourist and educational facility. They will be collecting the general public/organised groups from Witton Country Park Show Field for guided tours around neighbouring farmland.

2.10 Measure 312 Support for the Creation & Development of Micro Enterprises: This measure has by far been showing the highest level of interest and demand. 8 projects have been approved under this measure and a further 6 projects are currently in development. Approved projects: -

- Outdoor Elements, Simonstone, Ribble Valley: this project has supported the business to offer bespoke team building and outdoor activities and the development of a permanent site at Simonstone in Lancashire.
- Browsholme Hall, Cow Ark, Ribble Valley: this helped to convert the Tithe Barn buildings within Browsholme Hall into a function room with seating for 120 for weddings and 150 for conferences. The estate could then be open regularly throughout the year for weddings, cultural events (music and theatre), farmers markets and craft fairs.
- Mick Sherliker Ltd West Bradford, Ribble Valley: this project is to plant 31,000 Christmas Trees on land comprising 11.5 acres off Moor Lane, West Bradford. The trees will take 3 years to reach sufficient growth for sale, and then will be harvested 25% per year. The sole customer will be the adjacent Dove Syke Nursery, who also grow their own trees.
- Focus Experiential Training Ltd, Bashall Eaves, Ribble Valley: project to refurbish the corporate hospitality and training business in a series of units converted to a high standard from old stone barns supporting green and sustainable principles.
- Wheatsheaf Hill Farm Lifestyle Centre, Edgewoth, Blackburn with Darwen: the 14-acre farm project will involve transforming an empty agricultural building into a kitchen with table space, toilets and a reception area for corporate events and day courses.
- Printed Cup Company, Clitheroe, Ribble Valley: the company produces bespoke printed paper cups for the wholesale and retail markets, initially

starting in the UK but with a plan to eventually export. New equipment will reduce the average delivery time by half from 7-10 days to 3-5 days.

- Paul Case furniture, Clayton-le-Dale, Ribble Valley: this bespoke furniture manufacturing business project will supply woodworking equipment, signage and dust extraction system to improve production capacity and marketing support following relocation to a larger unit on the A59.
- Brabins Shop & gallery, Chipping, Ribble Valley: this project is to expand the retail area of the oldest surviving shop in Britain to accommodate an improved offer to the customer and secure a key service continuity (general grocery supplies when Proctors store closes) for this rural community.

2.11 Measure 313 Encouragement of Tourism: The programme has some strong large projects seeking funds under this measure but the allocation of £141,600 under the original regional allocation limited the scope for them to develop or meant some key tourism projects could not be funded. Following consultation with DEFRA on this matter a proposed new budget of £416,608 has been agreed. This will now enable a number of those projects to come forward. Currently 5 projects (2 in Ribble Valley) are pending and in development and 1 project has been approved: -

- Pendle Sculpture Trail – The project was approved in Sep 2011 and final details are being resolved in order to be able to issue an offer letter. This will be completed soon.

2.12 Measure 321 Basic Services for the economy and rural population: With two projects approved during the last quarter this measure is now showing good signs of delivering according to the original budget. Currently 5 projects (all 5 in Ribble Valley) are pending and in development and 2 projects have been approved: -

- Gisburn Playing Fields Association, Gisburn, Ribble Valley: the project will pay for the construction and installation of an aerial runway and sheltered meeting area for teenagers to provide facilities for older children to use within the play park at Gisburn. The project is the final stage in a wider re-development of the facilities, which has been funded through a variety of public and private sources including Children's Network Fund, Lancashire Environment Fund and local fundraising.
- Rossendale Citizens Advice Bureau, Bacup, Rossendale: this project will fund the costs of a specialist trainer as part of an overall project to extend the outreach services for Rossendale CAB into the rural areas of the district.

2.13 The current RDPE programme of activity will run until 2013 and further updates will be provided regarding additional projects and future developments.

CHIEF EXECUTIVE

BACKGROUND PAPERS:

Pennine Lancashire Local Development Strategy (RDPE) 2009 - 2013

For further information please ask for Craig Matthews, extension 4531

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 14

meeting date: 22 NOVEMBER 2011
title: CALCULATION OF COUNCIL TAXBASE 2012/13
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To consider the council taxbase for the next financial year i.e. 2012/13.
- 1.2 Relevance to the Council's ambitions and priorities:
 - ❖ The Council has a statutory duty to set its taxbase. The revenue raised from council tax is used to finance the Council's priorities, objectives and ambitions.

2 BACKGROUND

- 2.1 The Local Government Finance Act 1992 requires each billing authority to calculate the council taxbase for its area or part of its area, e.g. parish.
- 2.2 In the past this calculation could not be delegated and had to be approved by the Council. You may recall regulations were changed in 2004 to allow the setting of the taxbase to be delegated.
- 2.3 This report includes my provisional calculation of the taxbase. The final calculation must be made and approved between 1 December and 31 January.
- 2.4 We are in the process of notifying parishes (local precepting authorities) of the estimated taxbase for their area to enable them to set precepts.

3 THE CALCULATION

- 3.1 The calculation briefly comprises:
 - a) The number of properties in each valuation band shown on the valuation list.
 - b) Less the number of dwellings that are exempt where, for example, properties are unoccupied and unfurnished for a period of less than six months.
 - c) Adjustments for properties where disabled relief applies.
 - d) Deductions in respect of discounts:

	Discount Allowed
Single Persons	25%
Empty Dwellings Not Exempt	50%
Dwellings Where All Residents Are Disregarded	50%
Dwellings Occupied Wholly by Students	100%

- e) Adjustments
- i) Dwellings coming on or moving off the list.
 - ii) Changes in the number of discounts.
 - iii) Allowance for appeals against the valuation banding.
- f) The resultant figure is then multiplied by the appropriate quotient for that band to give the band D equivalent, eg:

$$\text{Band A} \times \frac{6}{9} = \text{Band D Equivalent} \quad \text{Band H} \times \frac{18}{9} = \text{Band D Equivalent}$$

- g) A special reduction applies for disabled persons living in band A properties, they pay 5/9ths of the band D charge.
- h) Finally, an aggregate of each band is then multiplied by the assumed collection rate to give the taxbase for that parish.

This calculation is then repeated for each parish and town. The sum of them all equals the Council's taxbase, which is 22,434. This is shown in Annex 1 together with the taxbase for 2011/12 i.e. the current financial year for comparison purposes.

3.2 You will see this is only a small increase when compared with 2011/12. In the most recent budget forecast only a marginal increase in the taxbase, of 0.25%, was allowed for next year which has proved to be more or less accurate. Obviously if new house building were to take place this number would increase in the future.

3.3 The taxbase calculation is provisional and will need to be reviewed on 1 December in accordance with the Council Taxbase Regulations and amend it if appropriate.

4 LOCAL GOVERNMENT FINANCE ACT 2003

4.1 You will recall that this Act allows (amongst other things) local authorities to vary the statutory discount given to long-term empty properties and also to second homes.

4.2 In the past members decided that:

- ❖ The discount on second homes be reduced to 10% (from 50%) from 1 April 2005. The funds raised be used to support the work of the Local Strategic Partnership; and
- ❖ No action be taken on the discount (50%) for long-term empty properties (empty more than six months).

4.3 The number of Band D equivalent second homes (after adjusting for the collection rate) in 2011/12 was estimated to be 86. This raised a total sum of £125,470 to be used by the strategic partnership. Next year the estimated number is 82 so this will raise a slightly lower amount for the partnership assuming both the county council, police and fire authorities and ourselves continue to pass this funding to the LSP.

5 ASSUMPTIONS

5.1 In estimating the taxbase there are always a number of areas of uncertainty and the following assumptions have been made:

- a) The number of exemptions will remain constant throughout the year.
- b) The number of discounts will remain constant throughout the year.
- c) The number of properties on the valuation list will remain constant throughout the year.
- d) The collection rate will be 99.25%.

6 CONCLUSION

6.1 There will be a very small increase in the taxbase for next year.

HEAD OF FINANCIAL SERVICES

PF67-11/LO/AC
16 November 2011

COUNCIL TAXBASE

	Band D Equivalent Taxbase			
	Excluding Second Homes 2011/12	Including Second Homes 2011/12	Excluding Second Homes 2012/13	Including Second Homes 2012/13
Clitheroe	5,139	5,157	5,140	5,158
Longridge	2,727	2,731	2,751	2,756
Balderstone	201	202	204	205
Billington & Langho	2,150	2,154	2,165	2,167
Clayton Le Dale	517	520	520	523
Dinckley	41	41	41	41
Mellor	1,027	1,029	1,027	1,030
Osbaldeston	101	102	104	105
Ramsgreave	281	282	279	280
Salesbury	174	174	176	176
Wilpshire	1,003	1,004	995	997
Bashall Eaves	85	86	85	86
Bolton By Bowland	243	245	247	249
Bowland Forest HD	60	60	61	61
Bowland Forest LD	76	77	76	77
Easington	27	27	26	26
Gisburn	208	209	206	207
Gisburn Forest	65	66	67	67
Great Mitton	95	95	95	95
Grindleton	358	363	360	364
Horton	44	44	43	43
Newsholme	21	21	20	20
Newton	148	150	143	144
Paythorne	41	41	43	43
Rimington	202	203	201	201
Sawley	168	169	167	168
Slaidburn	127	129	124	126
Waddington	453	456	449	453

	Band D Equivalent Taxbase			
	Excluding Second Homes 2011/12	Including Second Homes 2011/12	Excluding Second Homes 2012/13	Including Second Homes 2012/13
West Bradford	363	364	360	361
Middop	22	22	22	22
Aighton, Bailey & Chaigley	432	434	431	432
Bowland with Leagram	76	78	81	82
Chatburn	397	399	395	398
Chipping	477	482	485	491
Downham	55	55	55	55
Little Mitton	15	15	16	16
Mearley	7	7	7	7
Pendleton	104	104	107	107
Thornley with Wheatley	161	162	159	160
Twiston	34	34	36	36
Whalley	1,463	1,469	1,465	1,471
Wiswell	450	452	463	464
Worston	38	38	43	43
Dutton	107	107	104	104
Hothersall	74	74	71	71
Ribchester	653	658	664	668
Read	562	563	564	565
Sabden	507	509	513	514
Simonstone	499	501	496	499
Total	22,278	22,364	22,352	22,434

**RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY & FINANCE COMMITTEE**

Agenda Item No.

meeting date: 22ND NOVEMBER 2011
title: REGENERATION & ECONOMIC DEVELOPMENT UPDATE
submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE
principal author: CRAIG MATTHEWS – RURAL REGENERATION OFFICER

1 PURPOSE

1.1 To receive an update an update from the Regeneration Team on a number of economic development and regeneration initiatives locally, regionally and nationally.

1.2 Relevance to the Council’s ambitions and priorities

- Council Ambitions - In addition to Ribble Valley Borough Council striving to meet its three ambitions, it also recognises the importance of securing a diverse, sustainable economic base for the Borough. The work of the regeneration section seeks to promote this.
- Community Objectives – The issues highlighted in this report will contribute to objectives of a sustainable economy and thriving market towns.
- Corporate Priorities - Delivery of services to all
- Other Considerations - None

2 BACKGROUND

Following changes in Government policy regarding the delivery of economic development, regeneration and business support, this report provides an update on a number of important issues in relation to local delivery as well as their significance to the Borough on the implementation of these changes on a local, regional and national level.

The Emergency Budget in June 2010 confirmed the Government’s intention to replace Regional Development Agencies (RDAs), and to encourage the development of Local Enterprise Partnerships by April 2012.

In the short term, these issues are being addressed against a background of an economy, which both locally and nationally, is slowly improving but with a significant reduction in public investment taking effect. Lancashire is also in transition to the new Local Enterprise Partnership, which will in future help drive forward economic development in partnership with the Lancashire Local Authorities.

3 INFORMATION

3.1 Ribble Valley Economic Strategy 2009 - 2014

The Ribble Valley Economic Strategy is a means of providing clarity and detail on the Council’s local economic aims and objectives as well as the actions to deliver on

economic well being in Ribble Valley. It guides the council in setting its own service plans and resources, as well as providing a framework for partnership working, supporting and influencing the strategies, priorities and the resource allocation of others operating in the field of economic development across Ribble Valley and the wider area.

The Council formally adopted the Economic Strategy in 2009 following an extended consultation period, which generated much interest from across the Borough. The strategy sets out the economic aims and objectives for the areas economy over a 5-year period, and sets out desired aims around 5 thematic areas of activity.

In order to achieve the vision, Action Plans were created for each key work area, and detailed within the Strategy to provide a framework on which to develop a programme of activity that will be regularly reviewed in order to work towards our Strategic Objectives.

The Strategy and it's actions contain a significant number of references to various structures and programmes which either are in the process of transition or will no longer exist in the future. It will therefore be necessary to conduct a full review of the document; it's content and various strands of activity in order that it can bind together these new structures and approach to economic development in the Borough, as well as in Lancashire and nationally to reflect these important changes and a newly updated Strategy will be released early in 2012.

3.2 Regional Economic Development

Following the Government's announcements that all Regional Development Agencies (RDAs) will be closed and new arrangements put in place for economic development, the Northwest Development Agency (NWDA) is now in its final year of activity. Also, the statutory basis for Regional Economic Strategies is no longer required.

The primary focus for the Agency therefore during this last year has been to close down its business effectively and transfer of those functions, which are to be handed to successor bodies. The NWDA's land and property assets, for example, have now been handed over to the government's Homes and Communities Agency (HCA) and the winding down of activity has resulted in phased redundancies within the agency as well as in partner and delivery organisations; including Regenerate Pennine Lancashire.

The NWDA headquarters in Warrington finally close in March 2012 with some remaining staff transferring to the Department of Communities and Local Government (DCLG) and other centralised departments, such as inward investment staff moving to UK Trade & Industry. The team managing the European Regional Development Fund, for instance, will transfer to government North West ERDF programme (within DCLG), which continues until the end of 2013.

3.3 Local Enterprise Partnerships

After a number issues regarding the geographical coverage in the county it was finally agreed that a new Lancashire-wide Local Enterprise Partnership (LEP) will be established in Spring 2011. Following on from this the newly appointed LEP Board have asked for a review of economic priorities across Lancashire, which was discussed at it's last meeting in October 2011.

The Government has now given its approval to 38 Local Enterprise Partnerships in England and is currently working with the Lancashire LEP along with local authority representatives on plans for an enterprise zone on land at BAE Systems' sites at Sablesbury and Warton after the defence firm announced it will be making around 1,400 of its employees redundant across both sites. Enterprise zones can offer incoming businesses incentives including discounted business rates, relaxed planning rules, and priority connection to the superfast broadband network, for example. This follows an earlier unsuccessful application. The new enterprise zone proposal is currently being developed with a view to enabling the zones to be up and running by April 2012.

Last month, it has also been confirmed several Regional Growth Fund (RGF) bids in Lancashire have also been successful. Most prominent is the announcement that the Todmorden Curve rail link between Burnley and Manchester is to re-open. A joint bid for nearly £9million from Lancashire County Council, Burnley Council, Barnfield Construction and Network Rail will reinstate 500m of track and also regenerate the Weavers Triangle area. £7.5million has also been awarded through Regenerate Pennine Lancashire to support high-growth business in the county, and the North West Aerospace Alliance had a successful bid for nearly £5m to develop new technologies, which is expected to create 250 jobs. Before funding is finalised however, the department for business Innovation and Skills (BIS) will conduct a process of due diligence.

Most recently this month also, Communities Secretary Eric Pickles announced that £12.87 million is being awarded to the Lancashire LEP through the Growing Places Fund, which would cover up-front capital costs to get projects off the ground, this will be in the form of loans up front that are paid back after developments are eventually sold off. This figure is an indicative amount, and the Lancashire LEP must now submit proposals on how they would spend it.

3.4 Regenerate Pennine Lancashire

As part of the NWDA closure arrangements stated earlier in this report, operational and capacity funding for many partner organisations across the region, including Regenerate Pennine Lancashire ended in March 2011. The Regeneration Team at Ribble Valley have continued to work within existing partnership structures (i.e. Pennine Lancashire) whilst these range of important transitions take place as well as establishing new ones such as developing working relationships with mid and wider Lancashire authorities.

The Accelerating Business Growth in Lancashire (ABG) scheme is designed to meet the needs of local advanced manufacturing businesses by offering them capital investment for expansion projects, including premises, plant and machinery. Participating companies are also expected to offer graduate internships, apprenticeships or adopt carbon and energy saving targets. Regenerate Pennine Lancashire wrote the successful Regional Growth Fund bid in partnership with the Pennine Lancashire Local Authorities and also brokered partnerships between Lancashire County Council, the University of Central Lancashire, Lancaster University and the Lancashire Chambers of Commerce, who will help to deliver the programme. ABG is endorsed by the Lancashire LEP and will combine with its wider initiatives to promote manufacturing as a career choice. It will be delivered across the whole county, focussing on areas with a high concentration of manufacturers and public sector dependency.

3.5 Business Support

Across the areas of enterprise, employment and business support, a number of programmes have continued their work despite budget reductions in a reduced or modified form and until the emerging LEPs begin to take shape. The Regeneration Team is continuing its partnership working in these areas along with its involvement with the Pennine Lancashire Business Support and Enterprise Group.

Business Link Northwest (BLNW) has been the primary agency for business support within the region and as the main gateway for access to information on the various business support programmes and organisations the Regeneration Team has continued working with the organisations telephone and face-to-face advisers to ensure that access to support in Ribble Valley for local businesses and those considering starting a business remains through this transitional period.

A new national Business Link service has now been established and the BLNW regional business support service will cease activities from the its in Preston by November 25th 2011.

This new Business Link service includes: -

- An updated national Business Link website www.businesslink.gov.uk
- A new National Contact Centre due to come online during October 2011.
- Business Coaching for Growth designed to accelerate business growth due to commence January 2012.
- A national mentoring network.
- DWP funded support for unemployed individuals looking to start a business.

3.6 Rural Development Programme for England (RDPE)

Ribble Valley businesses continue to receive support through the Rural Development Programme (RDPE) funded by the EU Commission. Ribble Valley Borough Council took the lead role in the production of the Local Development Strategy on behalf of Pennine Lancashire partners and following the successful application for funding to oversee delivery of a £3.2 million programme, which includes £2.7 million in direct grant aid with the balance to cover other elements of the programme to include such things as staffing, research and project development costs. RDPE will run until 2013. The programme is focussed on the following three themes, or axis, these are: -

- Axis 1 – improving the competitiveness of the farming and forestry sectors
- Axis 2 – improving the environment and the countryside
- Axis 3 – rural quality of life and diversification of the rural economy
- Axis 4 – management, administration and the LEADER approach

Delivery of the programme, which is a bottom-up, community, led delivery method undertaken by Local Action Groups (LAGs) who will ensure that supported activities are within the context of the Sub-Regional Implementation Plans. In Lancashire 3 LAGs have been set up to manage the RDPE programme of activity under Axis 1, 3 & 4 whilst Axis 2 is being delivered by Natural England and the Forestry Commission.

The Pennine Lancashire LAG has a dedicated Development Officer who works frequently from the Ribble Valley council offices and acts as a point of contact and support. In addition to this RDPE Programme and Monitoring staff are based at the

Lancashire County Council offices in Preston. To date 19 projects and proposals have so far been successful across the 6 Pennine Lancashire Local Authority districts (12 projects in Ribble Valley) along with a number of additional projects in development and pending approval. Further detail regarding RDPE will be provided in a separate Committee report at this meeting.

3.7 Town Centres & Business Groups

The Regeneration Team also attends regular meetings and provides support to the three business groups in Clitheroe, Longridge and Whalley. All of which have developed into much more robust groups over recent months, growing in numbers and increasing activities to support trade in each of their locations. Events also, such as the Clitheroe Food Festival, Pickwick Night and Longridge Big Weekend, are examples where joint working between the Council, business groups and the community assist greatly in the success of Ribble Valley's key town and service centres.

Clitheroe Chamber of Trade membership has grown steadily to around 130 from less than 60 in the last 2 years. The continuing growth of the Chamber has also led to stronger partnership working with RVBC in activities to promote visitors. A new website www.visitclitheroe.co.uk has been launched through a successful funding bid to Lancashire County Council's Revitalising Town Centres project. Following on from its successful launch in 2010, the Clitheroe Food Festival proved yet again to be a success this year, held on Saturday 13th August 2011 with the 2012 event further being developed into an annual showcase event in the Lancashire calendar. Other plans are to launch a shop local loyalty card scheme in 2012.

Currently the Clitheroe Shop Front project is underway, which is helping to create a fresh look around the shop fronts in the town by having creative window displays. All participating traders have received expert advice on how to improve and develop their appeal through Mary Portas Retail Master Class sessions and there will be additional support from local artists to unleash the potential of their window displays. Creativity Works, a Pennine Lancashire Arts Partnership is providing funding for the project (£3,000) with additional support through Clitheroe Chamber of Trade and RVBC Arts (£3,600), Regeneration (£1,300) and Tourism (£1,000) departments. There will be a Clitheroe Best Window competition for the public to get involved in over six months with prizes being awarded to the public and the businesses.

Longridge: Longridge Town Team and Longridge Business Group are progressing a number of initiatives. Key objectives of the Longridge Town Team include; reinforcing Longridge's identity as an independent thriving market town for services; reducing the need for residents to travel elsewhere; and improving the look and feel of the town. The Longridge Old Station Buildings are now fully operational following its extensive refurbishment, which was supported with an RVBC grant towards the total costs of the works. A new website has been created at www.longridgestation.co.uk and the facility now also acts as a vibrant community hub including a heritage themed cafe, a town archive, meeting rooms, exhibition space and tourist information. Longridge Business Group is working to support and strengthen activities and events in Longridge (i.e. Big Weekend, Christmas Extravaganza) and the group are also considering whether Longridge town centre could become a Business Improvement District (BID) – some of the financing issues such as the business group and local events and promotions could be assisted through the development of a BID for Longridge. Many other towns in the UK,

following their own budget reductions, are now considering the BID concept as a way forward to promote and enhance their town centres.

Whalley: Whalley Chamber of Trade continues to be a strong group of businesses committed to the success of Whalley and the trading environment and the Regeneration Team attend meetings of the group to offer support wherever possible. A grant from RVBC has previously supported new signage to direct visitors to the retail area and to create the website www.visitwhalley.co.uk. The group are working closely with the Regeneration Team to deliver the Whalley Economic Action Plan, which sets out a number of actions following coordinated work between the RVBC Regeneration Team, Whalley Parish Council and Whalley Chamber of Trade. To promote the village, one current project is Whalley in Bloom and entering the Britain in Bloom competition for 2012. Another project was the first ever Whalley Live Festival held in June 2011 featuring live bands, hog roast and cider festival with plans now being made for 2012.

All the trade groups are now busy finalising their Christmas campaigns and the Regeneration Team will be providing support to help encourage a successful Christmas trading period.

3.8 The Future Economic Climate

The Regeneration Team are continuing to monitor issues during the current economic climate across Ribble Valley (empty business property & unemployment), the wider region and the UK and its current and future implications for the Borough's economy. Vacant business premises are marketed using the Evolutive property database. Most recently has been the announcement of significant job losses across the two BAE Systems sites in Samlesbury and Warton. Whilst the number of people claiming Job Seekers Allowance in Ribble Valley remains consistently one of the lowest in the region, however, mechanisms are in place to act where necessary and the Regeneration team are in regular contact with Job Centre Plus redundancy teams to assist and coordinate any support should this be required.

CHIEF EXECUTIVE

BACKGROUND PAPERS: -

Ribble Valley Economic Strategy 2009 – 2014
Clitheroe Town Centre Masterplan & Vision
Longridge Economic Action Plan
Whalley Economic Action Plan
Pennine Lancashire Local Development Strategy (RDPE)

For further information please ask for Craig Matthews, extension 4531.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 16

meeting date: 22 NOVEMBER 2011
 title: REVENUES AND BENEFITS GENERAL REPORT
 submitted by: DIRECTOR OF RESOURCES
 principal author: MARK EDMONDSON

1 PURPOSE

1.1 To inform committee of debts outstanding for business rates, council tax and sundry debtors. Also to update committee on benefits performance, including benefits fraud investigations, prosecutions and sanctions.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions/Community Objectives/Corporate Priorities

Without the revenue collected from rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

2 NATIONAL NON-DOMESTIC RATES (NNDR)

2.1 The following is a collection statement to 11 November 2011:

	£000	£000	2011/12 % to 11 Nov	2010/11 % to 11 Nov
Balance Outstanding 1 April 2011		363		
NNDR amounts due	15,719			
Plus costs	7			
Transitional surcharge	84			
Write ons	24			
	15,834			
Less				
- Transitional relief	-609			
- Exemptions	-448			
- Charity, Rural, Former Agricultural Discretionary Relief	-785			
- Small Business Rate Relief	-1,363			
- Write offs	-60			
- Interest Due	-2			
	-3,267	12,567		
Total amount to recover		12,930		
Less cash received to 11 Nov		-8,713	67.4	69.1
Amount Outstanding		4,217	32.6	30.9

NB The figures included in the table include not only those charges for 2011/12 but also those relating to previous years, but we are required to report to the Department of Communities and Local Government (DCLG) our in year collection rate. This figure is published and is used to compare our performance with other local authorities. On this measure our current in year collection rate at 31 October 2011 is 67.8% compared with 70.1% at 31 October 2010. The fall in the in year collection rate is due to the ending of the temporary increase in the empty property rate exemption threshold.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 11 November 2011:

	£000	£000	2011/12 % to 11 Nov	2010/11 % to 11 Nov
Balance Outstanding 1 April 2011		404		
Council Tax amounts due	37,013			
Plus costs	66			
Transitional relief	1			
Write ons	2			
	37,082			
Less - Exemptions	-987			
- Discounts	-2,834			
- Disabled banding reduction	-44			
- Council Tax Benefit	-2,305			
- Write offs	-16			
	-6,186	30,896		
Total amount to recover		31,300		
Less cash received to 11 Nov		-21,644	69.2	69.3
Amount Outstanding		9,656	30.8	30.7

NB The figures included in the table include not only those charges for 2011/12 but also those relating to previous years, but we are required to report our in year collection rate to the DCLG. This figure is published by them and is used to compare our performance against other local authorities. On this measure our current in year collection rate for 2011/12 at 31 October 2011 is 69.1% compared to 69.2% at 31 October 2010.

4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 14 November 2011 is:

	£000	£000	%
Amount Outstanding 1 April 2011		472	
Invoices Raised	985		
Plus costs	3		
	988		
Less write offs	0	988	
Total amount to recover		1,460	
Less cash received to 14 November 2011		1,083	74.18
Amount outstanding		377	

Aged Debtors	000s	%
< 30 days	61	16.18
30 - 59 days	14	3.71
60 - 89 days	36	9.55
90 - 119 days	10	2.65
120 – 149 days	3	0.80
150+ days	253	67.11
	377	100

5 HOUSING BENEFIT PERFORMANCE

- 5.1 The main indicators for Housing Benefit and Council Tax Benefit performance are the National Indicators for Right Benefit and Right Time. The benefit section also report on Local Performance Indicators that have been set within the department for benefit fraud and overpayments.
- 5.2 The Department for Work and Pensions does not require Local Authorities (LA's) to report on any other Performance Measures but encourages them to monitor their own performance locally.
- 5.3 We obviously consider it very important to monitor benefit fraud and also overpayment data.

Housing Benefit Right Time Indicator 2010/2011

1 July 2011 – 30 September 2011

The right time indicator measures the time taken to process HB/CTB new claims and change events; this includes changes in circumstances, interventions, fraud referrals and prints generated by the benefit department.

Target for year	Actual Performance	Average Performance
10 days	10.33 days	20 days per IRRV

New claims performance

1 July 2011 – 30 September 2011

Target for year	Actual Performance	Top grade 4 for all LA's 2007/08
19 days	20.04 days	Under 30 days

6 HOUSING BENEFIT FRAUD

6.1 The following is a summary of fraud investigations for the period 1 July 2011 – 30 September 2011.

Completed fraud investigations	
1 July 2011 – 30 September	46

Average caseload (YTD)	
2011/2012	2,844

Number of investigations per 1,000 caseload		
2011/2012	46/2,844	16.17

Number of Housing/Council Tax Benefit prosecutions and sanctions per 2,000 caseload

2011/2012	
Cautions	1
Administrative penalties	1
Successful prosecutions	2
Total	4

Average caseload (YTD)	
2011/2012	2,844

Number of prosecutions/sanctions per 1,000 caseload		
2011/2012	4/2,844	1.40%

6.2 Ribble Valley Borough Council has brought one formal caution, one administration penalty and two prosecutions for benefit fraud during the period 1 July 2011 – 30 September 2011.

The above offences were a result of the claimants failing to report a change in their circumstances promptly. These have created overpayments in Housing/Council Tax benefit for £11,855.86. The claimant given an administration penalty must also pay back £86.20 (30% of the overpayment). Two claimants were prosecuted and received the following:

Case 1

6 months suspended sentence and 120 hours community work order. A Proceeds of Crime hearing was held at Preston Crown Court on 21 October 2011 and the claimant was ordered to pay back the overpayment within six months or face a prison sentence and the seizure of her home.

Case 2

12 months conditional discharge and £75.00 compensation

7 HOUSING BENEFIT OVERPAYMENTS

- 7.1 Overpayment means any amount paid as Housing Benefit when there was no entitlement under the regulations. The performance for the period 1 July 2011 – 30 September 2011.

Performance Measure	%
The amount of Housing Benefit (HB) overpayments recovered during the period being reported on as a percentage of HB overpayments deemed recoverable during that period.	64.86
The amount of Housing Benefit (HB) overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year plus amount of HB overpayments identified during the period.	12.27
The amount of Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year, plus amount of HB overpayments identified during the period.	0.15

8 RECOMMENDED THAT COMMITTEE

- 8.1 Note the continuing progress that we make in collecting these debts, and the performance of our Housing Benefit Section remains excellent.

HEAD OF REVENUE AND BENEFITS

PF68-11/ME/AC
15 November 2011

RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 17

meeting date: 22 NOVEMBER 2011
 title: REVENUE MONITORING 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To let you know the position for the first seven months of this year's revenue budget as far as this committee is concerned.

1.2 Relevance to the Council's ambitions and priorities:

- ❖ In accordance with the overarching corporate priority of the council where one of our objectives is "to maintain critical financial management and controls and ensure the authority provides council tax payers with value for money." This report provides members with information to ensure that budget allocation and expenditure is in line with corporate priorities.

2 FINANCIAL INFORMATION

2.1 Shown below, by cost centre, is a comparison between actual expenditure and the original estimate for the period. You will see an overall under spend of £76,085. After allowing for estimated transfers to and from balances and reserves this increases to a net under spend of £183,628.

Cost Centre	Cost Centre Name	Net Budget for the full year £	Net Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	
COMPR	Computer Services	590	213,257	190168	-23,089	R
LICSE	Licensing	52,570	-52,732	-54,427	-1,695	G
LANDC	Land Charges	43,000	-30,735	-18,294	12,441	R
FGSUB	Grants & Subscriptions – Policy & Finance	144,360	124,174	114,409	-9,765	R
CEEXEC	Chief Executives Department	3,790	599,929	545,657	-54,272	R
CLTAX	Council Tax	379,240	24,625	12,052	-12,573	R
NNDRC	National Non Domestic Rates	35,290	782	1,298	516	G
CORPM	Corporate Management	289,010	0	0	0	G
EMERG	Community Safety	55,810	7,979	4,033	-3,946	A
DISTC	District Elections	16,910	0	117,948	117,948	R
ELECT	Register of Electors	75,380	26,232	26,779	547	G
EUROP	European Elections	30	0	0	0	G
LANCS	Lancashire County Elections	10	0	0	0	G
PARIS	Parish Elections	1,050	0	0	0	G

Cost Centre	Cost Centre Name	Net Budget for the full year £	Net Budget to the end of the period £	Actual including Commitments to the end of the period £	Variance £	
PARLI	Parliamentary Elections	19,550	0	0	0	G
ESTAT	Estates	25,330	-2,062	918	2,980	A
ATTEN	Mayor's Attendant/ Keeper	0	8,436	6,858	-1,578	G
CIVCF	Civic Functions	56,440	19,433	17,734	-1,699	G
COSDM	Cost of Democracy	418,850	124,982	119,920	-5,062	R
MAYCR	Mayoral Transport	0	7,441	7,304	-137	G
FSERV	Financial Services	2,230	346,631	340,178	-6,453	R
VARIOUS	Meals on Wheels and Luncheon Clubs	26,240	29,705	23,622	-6,083	R
CIVST	Civic Suite	-710	22,898	18,075	-4,823	A
CLOFF	Council Offices	140	139,070	138,992	-78	G
FMISC	Policy & Finance Miscellaneous	161,250	77,503	43,654	-33,849	R
PERFM	Performance Reward Grants	52,690	21,000	35,403	14,403	R
SUPDF	Superannuation Deficiency Payments	122,120	80,817	70,562	-10,255	R
LSERV	Legal Services	-1,900	216,279	203,673	-12,606	R
OMDEV	Organisation & Member Development	-1,650	249,592	227,291	-22,301	R
CSERV	Corporate Services	206,510	12,024	14,665	2,641	A
CONCS	Concessionary Travel	51,190	0	4,604	4,604	A
CONTC	Contact Centre	170,010	42,853	53,692	10,839	R
REVUE	Revenues & Benefits	-4,020	330,307	297,567	-32,740	R
Total net cost of services		2,401,310	2,640,420	2,564,335	-76,085	

Items added to / (taken from) balances and reserves					
FNBAL H230	Election Reserve Fund (balance of funds)	19,870	19,870	-63,552	-83,422
FNBAL H263	Government Connect	-4,520	-4,520	-5,239	-719
FNBAL H269	Asset Revaluation Reserve	2,000	0	0	0
FNBAL H278	Land Charges Software	0	0	-9,000	-9,000
FNBAL H326	Performance Reward Grant	-52,690	-21,000	-35,403	-14,403
Net Balances and reserves		-35,340	-5,650	-113,194	-107,544

Net Expenditure	2,365,970	2,634,770	2,451,142	-183,628
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2.2 The variations between budget and actuals have been split into groups of red, amber and green variance. The red variances highlight specific areas of high concern, for which budget holders are required to have an action plan. Amber variances are

potential areas of high concern and green variances are areas that currently do not present any significant concern.

Key to Variance shading	
Variance of more than £5,000 (Red)	R
Variance between £2,000 and £4,999 (Amber)	A
Variance less than £2,000 (Green)	G

- 2.3 We have then extracted the main variations for the items included in the red shaded cost centres and shown them with the budget holder's comments and agreed action plans, in Annex 1.
- 2.4 The main variations for items included in the amber shaded cost centres are shown with budget holders' comments at Annex 2.
- 3 CONCLUSION
- 3.1 The comparison between actual and budgeted expenditure shows an under spend of £183,628 for the first seven months of the financial year 2010/11 after allowing for transfers to / from earmarked reserves. However, there are some large fluctuations that make up this net figure.
- 3.2 The cost of district and parish elections and also the referendum on the voting system totalling £117,948 will partly be met from the election reserve fund and partly reimbursed from the Ministry of Justice.
- 3.3 There are substantial under spends of £90,437 on vacant posts within chief executives, organisation & member development, computer section and revenues sections, which are as a result of a freeze on recruitment, as part of the structure review.
- 3.4 A further sizeable variance is on audit fees. Here we are aware that there will be a saving on the original estimate. This is particularly as a result of a rebate in the charge and also confirmation that grants work fees will be lower than anticipated.

SENIOR ACCOUNTANT
PF61-11/TH/AC
7 November 2011

POLICY & FINANCE COMMITTEE

RED VARIANCES

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
CEXEC/0100	Chief Executive's department / salaries	783,040	456,904	423,379	-33,525	R	Vacant posts in environmental health and building control sections, reduced hours being worked by housing strategy officer and no maternity cover in regeneration section	Heads of service have undertaken a review of their service area. Current freeze on recruitment
CEXEC/0109	Chief Executive's department / Superannuation	122,170	71,285	63,667	-7,618	R	Vacant administration assistant and assistant corporate policy officer posts also reduced hours being worked by principal communication officer	Heads of service have undertaken a review of their service area. Current freeze on recruitment
OMDEV/0100	Organisation & member development / salaries	287,660	167,849	155,409	-12,440	R	Postage costs for September and October still to be recharged to departments	Recharge to services to be carried out as soon as possible
OMDEV/2981	Organisation & member development / postages	2,090	1,222	8,095	6,873	R	Only received 4 invoices from 12 for 2011/12, these invoices also include an 8% rebate on the planned fee.	Budget to be reduced at revised estimate
FMISC/5021	Policy & finance miscellaneous / audit fees	87,840	47,910	26,940	-20,970	R		

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
FMISC/5025	Policy & finance miscellaneous / audit fees-grants	28,010	20,654	8,112	-12,542	R	Less grant work invoiced for compared to previous year	Estimate to be reduced at revised estimate to reflect fee indicated in annual audit fee letter received in April 2011.
FGSUB/4677	Grants & Subscriptions - Policy & Finance / Grants to Precepting Bodies	20,000	20,000	12,506	-7,494	R	Concurrent function grants to parish councils less than provision	Closely monitor for any further applications.
SUPDF/1026	Superannuation Deficiency Payment / Deficiency Payment	116,320	77,518	67,267	-10,251	R	Delay in receiving 2nd half year invoice from Tameside MBC and delay in preparing direct debit entry for October payment to LCC	Direct debit entry for the general ledger to be arranged as soon as possible
DISTC/ Various	District election / various costs	16,910	0	117,948	117,948	R	Cost of district and parish elections and also the referendum on the voting system held in May 2011	Cost to be split between elections once all invoices received. Costs associated with district and parish elections to be met from election reserve fund. Claim to be made for cost of the referendum.
LSERV/0100	Legal services / salaries	237,020	138,300	144,328	6,028	R	Additional salary cost to cover long-term sickness of electoral & licensing officer post.	Budget to be increased at revised estimate
LANDC/8408z	Land charges / search fee	-73,300	-44,104	-39,075	5,029	R	Reduced income possibly as a result of economic climate	Income to be reassessed at revised estimate

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
ESTAT/2401	Estates / repair & maintenance on-costed wages	0	0	8,806	8,806	R	Expenditure is mainly the cost of repairing the wall at Littlemoor Rd for which a £2.5k earmark reserve was established at the end of 2010/11	Request has been made to service manager to supply a virement form to cover overspend
LANDC/2998	Land charges/ software maintenance	5,340	5,340	14,025	8,685	R	Cost of implementation of new land charges system	Cost of new system to be met from existing budgets and earmarked reserve funds. Virement to be requested from under spends on legal services reference books.
LSERV/2976	Legal services / reference books	22,200	22,200	14,777	-7,423	R	New online contract arranged	Savings to be used as a contribution towards cost of new land charges system.
COMPR/0100	Computer services / salaries	115,640	67,475	57,602	-9,873	R	Vacant computer administrator post.	Heads of service have undertaken a review of their service area. Current freeze on recruitment
PERFM/3012	Performance reward grants / grants to other bodies	0	0	14,403	14,403	R	Expenditure on village amenity schemes slipped into new financial year.	Expenditure to be met from earmarked reserve fund. Estimates to be reviewed at revised estimate
CONTC/2998	Contact Centre / Software maintenance	0	0	13,800	13,800	R	Commitment for replacement CRM System	Estimate to be reviewed at revised estimate

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance	Action Plan as agreed between the Budget Holder and Accountant
REVUE/0100	Revenues & benefits / salaries	445,530	259,967	238,239	-21,728	R	Vacant clerical assistant, recovery assistant and benefits assistant posts.	Heads of service have undertaken a review of their service area. Current freeze on recruitment
REVUE/0109	Revenues & benefits / Superannuation	71,880	41,940	36,309	-5,631	R		

POLICY & FINANCE COMMITTEE

AMBER VARIANCES

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
CEXEC/0101	Chief Executive's department / salaries overtime	0	0	2,916	2,916	A	Overtime cover for vacant posts in environmental health
CEXEC/1013	Chief Executive's department / tuition fees	5,110	2,982	225	-2,757	A	Freeze on non essential training
CEXEC/1040	Chief Executive's department / employee insurance	6,580	6,580	4,276	-2,304	A	Proportion of employee insurance charged to this service. An element of this recharge is based on claim history.
CEXEC/2643	Chief Executive's department / car allowances	12,190	7,140	4,197	-2,943	A	Fewer mileage claims as a result of vacant posts in environmental health section
OMDEV/0109	Organisation & member development / Superannuation salaries	47,460	27,694	24,778	-2,916	A	Vacant administration assistant and assistant corporate policy officer posts also reduced hours being worked by principal communication officer

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
OMDEV/1023	Organisation & member development / corporate training	13,830	8,070	3,457	-4,613	A	Freeze on non essential training
CLOFF/2402	Council offices / repair & maintenance	32,900	19,195	21,502	2,307	A	Various commitments including replacement windows and carpet tiles has resulted in the current variation but still within full year budget provision
EMERG/2881	Community safety / purchase of equipment & materials	11,990	6,995	2,098	-4,897	A	Partnership working has resulted in some savings, these are being earmarked to rewrite the district emergency and business continuity plans
FGSUB/3013	Grants & subscriptions / subscriptions	28,930	24,954	22,243	-2,711	A	Final payment to the community foundation still to pay, due at the end of 2010/11. No invoiced received.
FMISC/5029	Policy & finance miscellaneous / credit card fee	0	0	3,056	3,056	A	No budget provision as this expenditure is netted off interest and credit card charges received at the end of the financial year, therefore the balance at the end of the financial year will be nil on this code
CONCS/2662	Concessionary Travel / Community Transport	51,190	0	4,571	4,571	A	Interim funding for community transport and final reconciliation invoice for 2010/11
COMPR/2997	Computer services / hardware maintenance	8,480	4,947	2,498	-2,449	A	Freeze on non essential expenditure

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
COMPR/2998	Computer services / software maintenance	104,580	91,632	86,850	-4,782	A	Freeze on non essential expenditure
COMPR/3006	Computer services / government connect	20,020	15,193	12,626	-2,567	A	Only part year invoice received.
BILMW/4355	Billington meals on Wheels / Catering Concessions	6,320	3,707	1,565	-2,142	A	Procurement of meals from a different supplier has resulted in unit cost savings.
CHBMW/4355	Chatburn meals on wheels / Catering Concession	6,320	3,692	1,565	-2,127	A	
LSERV/3090	Legal services / legal fees	2,990	1,745	3,809	2,064	A	Court proceedings being undertaken by section to recover long term outstanding debts
LSERV/8113z	Legal services / legal fees	-1,990	-1,162	-3,974	-2,812	A	Court costs awarded by court added to outstanding debtor accounts. These are being recovered from debtors as shown below.
LANDC/1040	Land charges / employee insurance	4,450	4,450	1,849	-2,601	A	Share of employee insurance less than anticipated. Estimate based on 2010 actual
ESTAT/8804u	Estates / building rent	-1,750	-1,750	-5,000	-3,250	A	Additional income from increase in rent of Longridge Youth Club

Ledger Code	Ledger Code Name	Budget for the Full Year	Budget to the end of the period	Actual including Commitments to the end of the period	Variance		Reason for Variance
CLTAX/2971	Council tax / printing & stationery	6,830	2,953	-241	-3,194	A	Provision was made for printing council tax leaflets in 2010/11.
CLTAX/2971	Council tax / postages	19,830	8,335	5,629	-2,706	A	Delay in being recharged for cost of September and October postages
REVUE/0108	Revenues & benefits / national insurance	28,390	16,565	14,228	-2,337	A	Vacant clerical assistant, recovery assistant and benefits assistant posts.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 18

meeting date: 22 NOVEMBER 2011
 title: REVENUE BUDGET MONITORING 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: LAWSON ODDIE

1 PURPOSE

1.1 To consider the position on the overall revenue budget for the current financial year.

2 ORIGINAL BUDGET 2011/12

2.1 The original budget agreed for the current year is set out below.

	Original Estimate 2011/12 £
Committee Net Requirements	7,571,500
Capital Charges Adjustment	-659,240
Committee Expenditure After Adjustments	6,912,260
Other Items - Interest Payable	26,250
- Interest on balances	-30,000
- Council Tax freeze grant	-78,660
-New Homes Bonus grant	-60,000
Expenditure After Other Items	6,769,850
Less Added to/(taken from) Earmarked Reserves	
Elections	19,870
Government Connect	-4,520
Building Control Fee Earning	-44,730
Local Development Framework	-11,580
Performance Reward Grant	-52,690
Planning Delivery	-109,770
RV Crime Reduction Partnership	-9,040
DEFRA Clean Air	-4,500
Revaluation Reserve	2,000
Taken From Revenue Balances	-186,459
Net Expenditure	6,368,431

3 COMMENTS

3.1 Accountants are part way through preparing the revised estimates for the current financial year. Aiding this work are the regular monitoring reports that are prepared for budget holders and Management Team. Committees have been receiving their monitoring reports in the November 2011 cycle of meetings.

3.2 Looking at three of the largest elements within our budget - employee costs, fees and charges and interest. The position at the end of October on these was as follows:

3.3 **Employees**

Position at end of October:

	£'000
Budget	3,605
Actual	3,433
Difference	-172

You can see this is a significant variance, especially given we are only just over half way through the year. However this is as a direct result of the number of vacant posts currently within our budget. Annex 1 shows the variances by individual cost centre.

3.4 **Fees and Charges**

Position at end of October:

	£'000
Budget	-1,205
Actual	-1,190
Difference	15

Annex 2 shows the variances by individual cost centre.

3.5 **Interest**

Position at end of October:

	£'000
Budget	-18
Actual	-14
Difference	4

As well as interest received on the day-to-day investment of surplus cash, the above figure includes interest receivable from the loan arrangement with Roefield (£9K to the end of October). At this stage it is difficult to predict how our final interest figure will be in comparison to our budget for the year. When preparing the original estimate in January we anticipated interest rates would start to rise before the end of 2011/12, however this is now looking less likely.

4 SUMMARY

4.1 In summary, the position is as follows:

	£'000
Employees	-172
Income	15
Interest	4
Total Net Savings/Underspend/Extra Income	-153

5 CONCLUSION

- 5.1 As previously reported, given the number of vacant posts currently within our establishment it is not surprising that the greatest savings relate to employee costs.
- 5.2 Recommendations arising from the recent restructuring exercise are to be considered elsewhere on the agenda for this committee. The revised estimates will then be prepared based on any new agreed structure.
- 5.3 On income the largest variances are still as previously reported. Income from Planning Fees is ahead of budget. However, Building Control income is significantly down compared to that forecast, the reason being that private firms are increasingly being used rather than our own service.
- 5.4 As you can see from the above there are already substantial savings against the budget. We anticipate that further savings will be made before the end of the year. Therefore, overall the level of savings against the original estimate are likely to be significant.

HEAD OF FINANCIAL SERVICES

PF71-11/LO/AC
15 November 2011

Employee Costs Compared With Original Budget – April 2011 to October 2011

Cost Centre	Cost Centre Name	Original Estimate to end August 2011	Actual to end August 2011	Variance
ARTDV	Art Development	8,954	5,560	-3,394
ATTEN	Mayor's Attendant/Keeper	8,234	6,718	-1,516
CEXEC	Chief Executives Department	560,306	521,849	-38,457
CFOOD	Clitheroe Food Festival 2011	0	1,685	1,685
CIVST	Civic Suite	6,631	4,703	-1,928
CLMKT	Clitheroe Market	2,294	1,627	-667
CLOFF	Council Offices	23,551	21,767	-1,784
COMMD	Community Services Department	679,809	651,873	-27,936
COMPR	Computer Services	83,460	70,907	-12,553
CONTC	Contact Centre	42,033	39,839	-2,194
COSDM	Cost of Democracy	4,192	3,523	-669
CPADM	Car Park Administration - Off Street	28,355	26,662	-1,693
DNHAM	Downham Toilets	140	140	0
ELECT	Register of Electors	30	0	-30
EXREF	Exercise Referral Scheme	59,030	57,657	-1,373
FSERV	Financial Services	316,007	315,891	-116
LNGYM	Longridge Gym	28,755	26,893	-1,862
LSERV	Legal Services	173,292	176,878	3,586
MELLR	Mellor Toilets	609	608	-1
OMDEV	Organisation & Member Development	208,438	190,809	-17,629
PARLI	Parliamentary Elections	0	436	436
PKADM	Grounds Maintenance	141,053	132,653	-8,400
PLATG	Platform Gallery	27,112	24,125	-2,987
PLDEV	Planning Delivery	36,520	36,542	22
RCOLL	Refuse Collection	373,180	365,902	-7,278
REVUE	Revenues & Benefits	318,747	289,050	-29,697
RPOOL	Ribblesdale Pool	176,604	172,104	-4,500
RVPRK	Ribble Valley Parks	0	51	51
SDEPO	Salthill Depot	21,302	18,804	-2,498
SPODV	Sports Development	10,830	26,433	15,603
STCLE	Street Cleansing	82,164	74,916	-7,248
TFRST	Waste Transfer Station	13,580	13,900	320
TURSM	Tourism	30,611	30,410	-201
VEHCL	Vehicle Workshop	34,795	34,790	-5
WKSAD	Works Administration	104,083	86,976	-17,107
	TOTAL	3,604,701	3,432,680	-172,021

Fees and Charges Compared With Original Budget – April 2011 to October 2011

Cost Centre	Cost Centre Name	Original Estimate to end October 2011	Actual to end October 2011	Variance
ARTDV	Art Development	0	-473	-473
BCSAP	Building Control SAP Fees	-2,765	-3,334	-569
BLDGC	Building Control	-148,270	-106,004	42,266
CEXEC	Chief Executives Department	-14	-189	-175
CIVST	Civic Suite	-3,445	-4,918	-1,473
CLAND	Contaminated Land	-50	0	50
CLCEM	Clitheroe Cemetery	-23,196	-23,921	-725
CLMKT	Clitheroe Market	-96,040	-95,020	1,020
CLOFF	Council Offices	0	-100	-100
COMMD	Community Services Department	0	-336	-336
COMPR	Computer Services	-14	0	14
DOGWD	Dog Warden & Pest Control	-7,402	-6,975	427
DRAIN	Private Drains	-1,530	-1,056	474
EALLW	Edisford All Weather Pitch	-14,113	-14,890	-777
EDPIC	Edisford Picnic Area	-720	-740	-20
EHKAA	PK06 HKA Vauxhall Vivaro panel van	0	-228	-228
ENVHT	Environmental Health Services	-12,503	-13,208	-705
EXREF	Exercise Referral Scheme	-2,569	-1,753	816
FSERV	Financial Services	-14	0	14
LANDC	Land Charges	-44,104	-39,075	5,029
LICSE	Licensing	-68,479	-68,429	50
LNGYM	Longridge Gym	-14,268	-12,710	1,558
LSERV	Legal Services	-7	-5	2
OMDEV	Organisation & Member Development	-273	-640	-367
PARLI	Parliamentary Elections	0	-7,399	-7,399
PLANG	Planning Control & Enforcement	-239,787	-257,069	-17,282
PLATG	Platform Gallery	0	-659	-659
RCOLL	Refuse Collection	-1,797	-3,287	-1,490
REVUE	Revenues & Benefits	-7	-5	2
RIGHT	Public Rights of Way	0	-3,146	-3,146
RPOOL	Ribblesdale Pool	-197,030	-190,600	6,430
RVPRK	Ribble Valley Parks	-6,986	-6,370	616
SEATS	Roadside Seats	0	-400	-400
SIGNS	Street Nameplates & Signs	-480	0	480
SPODV	Sports Development	-1,182	-208	974
STCLE	Street Cleansing	-6,430	-6,240	190
TRREF	Trade Refuse	-106,640	-112,593	-5,953
TURSM	Tourism	0	5	5
VARIOUS	Car Parks	-197,783	-202,504	-4,721
VARIOUS	Meals on Wheels	-6,706	-5,705	1,001
TOTAL		-1,204,604	-1,190,182	14,422

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 22 NOVEMBER 2011
title: RIBBLE VALLEY COMMUNITY SAFETY PARTNERSHIP - UPDATE
submitted by: CHIEF EXECUTIVE
principal author: BILL ALKER

1 PURPOSE

1.1 To give Members an update of a number of initiatives which Ribble Valley Community Safety Partnership is currently involved with.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions – } To make peoples lives safer and healthier.
- Community Objectives – } Community safety has always been one of the Council's top priorities in keeping the area safe. Our reputation as one of the safest areas in the country is well known both locally and nationally.
- Corporate Priorities – }
- Other Considerations – }

2 BACKGROUND

2.1 Ribble Valley Community Safety Partnership was formed in 1998 as a direct result of the Crime and Disorder Act of that same year. It is a statutory partnership which Ribble Valley Borough Council is one of the key partners.

2.2 Other partner agencies include Police, Lancashire County Council, Lancashire Fire and Rescue Service, Probation Service and NHS East Lancashire.

2.3 The Crime and Disorder Act 1998 places a duty on all Councils to 'formulate and implement for each relevant period a strategy for the reduction of crime and disorder in the area'.

2.4 I reported to Committee in June 2011 on a variety of issues both historic and current, which have shaped the work of the CSP and will undoubtedly influence its future.

3 ISSUES

3.1 In the past four months there have been a number of initiatives which Ribble Valley CSP has become involved with.

3.2 Wasted Lives Project – this is led by Lancashire Fire and Rescue Service and the campaign targets young drivers and seeks to change their driving attitudes via a hard hitting presentation. It is delivered to both young drivers, parents and future drivers and is already proving very impactive.

3.3 Castle Grounds Project – this project was highlighted in the last report and work is commencing identifying key partner agencies and undertaking a needs survey for young people.

- 3.4 Smart Water/Farm Watch – a meeting of interested individuals was held in early October at which farmers and residents living in the Newton-in-Bowland area heard about the potential use of smart water as a deterrent against theft. Smart water is a liquid which, when smeared on to anything, produces a series of unique microdots which can be traced back to the owner if that article is stolen. There is a good track record of goods being recovered.
- 3.5 Farm watch is a system whereby local farmers are linked to one another and the police and aims to provide further protection and reassurance in isolated rural areas. Smart water and Farm watch can be interlinked via signage, publicity and a network of people who are looking to protect their property and possessions.
- 3.6 Longridge Community Alcohol Network – this was launched on Thursday, 27 October by Lancashire Trading Standards in conjunction with the police. It has the full support of the CSP. The aim of the network is to reduce under age drinking, proxy sales of alcohol and any resulting anti social behaviour by targeting off-licences, young people and parents in an awareness raising campaign which will last for six weeks.
- 3.7 National Alcohol Awareness Week is exactly as its name suggests. There are a number of awareness raising initiatives planned for the week including an online survey, staff awareness sessions at the Borough Council, meeting the public to make them aware of the perils of alcohol abuse and extra police and under age alcohol checks in problem areas.
- 3.8 Domestic Homicide Reviews – all CSPs have been given a duty to conduct these reviews as from April 2011. Guidance has been sought from the Home Office on how to conduct such reviews and a full report will be submitted to the next Community Safety Partnership in January 2012.
- 3.9 In the meantime, two important appointments need to be made that of Chairman of the review team and the report author. I hope to be able to report on some progress with these appointments at Committee. The Home Office have not provided any funding for such reviews, although the CSP will try to identify funding from within existing budgets. The whole review period lasts for seven months from the date of any domestic homicide.

4 CONCLUSIONS

- 4.1 As can be seen from the above initiatives, Ribble Valley Community Safety Partnership continues to be active in a number of different spheres of influence and will continue to use its influence in relation to issues such as alcohol awareness, anti social behaviour and domestic violence.

CHIEF EXECUTIVE

For further information please ask for Bill Alker, extension 4412.

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 20

meeting date: 22 NOVEMBER 2011
 title: CAPITAL MONITORING 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: NEIL SANDIFORD

1 PURPOSE

- 1.1 To inform members of progress to the end of October on the capital programme for this committee for the current financial year.

2 BACKGROUND

- 2.1 The original schemes put forward for the Council's five-year capital programme exceeded the finance that was available. As a result a capital programme was approved for 2011/12, with the remaining schemes for the 2012/16 period being set aside.
- 2.2 In line with recommendations of Budget Working Group and Policy and Finance Committee a Capital Working Group has been set up to review the forward capital programme, ensuring that it is affordable, achievable and ties in with the service review outcomes.

3 SCHEMES

- 3.1 There is one scheme for this Committee for £25,000 as shown in the table below. Details of the scheme, together with the budget holder's comments on progress is available at Annex 1.

Cost Centre	Scheme Title	Original Estimate 2010/11 £	Actual Expenditure as at the end October 2011 £	Variance as at the end October 2011 £
CCCRM	Contact Centre Customer Relationship Management System Replacement	25,000	27,322	2,322
Total		25,000	27,322	2,322

- 3.2 There is a small overspend associated with this scheme. The new system will be operational by the end of November.

4 CONCLUSION

- 4.1 Whilst slightly overspent, this scheme will generate revenue budget savings from 2012/13 of approximately £34,000 per annum.

NEIL SANDIFORD
 TECHNICAL ACCOUNTANT

PF61-11/NS/AC
 16 November 2011

CCCRM Contact Centre Customer Relationship Management

Service Area: Financial Services

Head of Service: Lawson Oddie

Brief Description:

To identify and install a customer management system as a replacement to the one currently used in conjunction with Lancashire County Council

Start Date, duration and key milestones:

Start Date – April 2011

Anticipated Completion Date – December 2011

Financial Implications – CAPITAL

		Actual to end October £	Variance to end October £
Total Approved Budget 2011/12	25,000	27,322	2,322
ANTICIPATED TOTAL SCHEME COST	25,000		

Financial Implications - REVENUE

There will be revenue savings of £34,000 associated with this scheme from 2012/13.

Useful Economic Life

10 years

Progress - Budget Holder Comments

October 2011: Contractors have been chosen and orders placed. Completion is anticipated by the end of November 2011. The budget is overspent, as the estimate is slightly less than the contractor's costs. There will be further costs of £800 to be added to the final account as switching from one system to the new supplier will require a specialist technical input which was not predicted at the time the budget was developed.

July 2011: A preferred supplier will be chosen shortly and a purchase order issued. Completion is expected this financial year.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 21

meeting date: 22 NOVEMBER 2011
 title: OVERALL CAPITAL MONITORING 2011/12
 submitted by: DIRECTOR OF RESOURCES
 principal author: NEIL SANDIFORD

1 PURPOSE

- 1.1 To update members with progress on the overall Capital Programme for the current financial year up to the end of October.

2 BACKGROUND

- 2.1 The Capital Programme for 2011/12 was approved in March 2011. In the same cycle of committee meetings capital reports were considered which included capital evaluation statements giving full details of all new schemes for the forthcoming year.
- 2.2 The original schemes put forward for the Council's five-year capital programme exceeded the finance that was available. As a result a capital programme was approved for 2011/12 only, with the remaining schemes for the 2012/16 period being set aside.
- 2.3 In line with recommendations of Budget Working Group and Policy and Finance Committee a Capital Working Group has been set up to review the forward capital programme, ensuring that it is affordable, achievable and ties in with the service review outcomes.

3 PROGRESS TO DATE

- 3.1 Committees in the current cycle are receiving capital monitoring reports showing progress by scheme. Updates to evaluation sheets will be presented to each committee.
- 3.2 The table below shows a financial summary of the progress on the Council's overall capital programme.

Committee	BUDGET ANALYSIS				EXPENDITURE ANALYSIS
	Original Estimate 2011/12 £	Slippage 2010/11 £	Additional Approvals £	Total Approved Budget £	Total Expenditure to Date £
Community	270,000	38,290	118,580	426,870	92,053
Planning & Development	30,000	0	0	30,000	0
Policy & Finance	25,000	0	0	25,000	27,322
Health & Housing	280,000	119,230	0	399,230	119,305
Total	605,000	157,520	118,580	881,100	238,680

- 3.3 Annex 1 shows the full programme by scheme.
- 3.4 As at the end of October only 27% of the total budget for the year has been committed or spent. However, a large proportion of the variance (£200,000) is accounted for by the capital scheme for a replacement refuse vehicle where tendering has recently been completed.
- 3.5 Additionally, there is also a large underspend on housing grants (£276,000) which is particularly due to lower numbers of referrals for disabled facilities grants and low take up of landlord/tenant grants.
- 3.6 The feasibility of the planning committee scheme for the Clitheroe market redevelopment is currently uncertain due to the indication that external resources are to be withdrawn.
- 4 CONCLUSION
- 4.1 There has been some slippage from 2010/11, which is low in comparison to that experienced in previous years.
- 4.2 Good progress has been made on most schemes, whilst actual expenditure to date is low. Whilst there are concerns around the low level of spend to date on housing grants, this is very much influenced by external factors.

TECHNICAL ACCOUNTANT

PF63-11/NS/AC
16 November 2011

Overall Capital Programme 2011/12

ANNEX 1

Cost Centre	Schemes	BUDGET ANALYSIS				EXPENDITURE ANALYSIS
		Original Estimates 2011/2012 £	Slippage 2010/11 £	Additional Approvals £	Total Approved Budget £	Total Expenditure to Date £
<u>Community Committee</u>						
BADWC	Badger Well Water Culvert Collapse		8,070		8,070	1,118
CALOP	Calderstones Open Space		4,520		4,520	2,595
CARPK	Car Parks Rolling Programme	40,000			40,000	610
CPKMS	Replace Car Parking Machines and Software		6,860		6,860	13
EDFCR	Football Changing Rooms Refurbishment		5,590		5,590	-160
GRFLG	Castle Grounds Green Flag Award Scheme		6,330		6,330	1,749
LADVE	Longridge Adventure Play Facility			78,500	78,500	75,459
PBRNG	Repairs to Riverside Path Brungerly		5,490		5,490	5,346
PITCH	Football Pitch Drainage and Improvement Works	10,000			10,000	485
PLAYM	Improvements to Children's Play Areas	20,000			20,000	3,408
RVFXV	Replace Refuse Collection Vehicle VX04 FXV	200,000			200,000	0
SPARK	Salthill Play Area		1,430		1,430	1,430
WMOOR	Whalley Moor - Woodland paths and nature trails			40,080	40,080	0
	Total Community Services Committee	270,000	38,290	118,580	426,870	92,053
<u>Planning and Development Committee</u>						
CMRED	Clitheroe Market Redevelopment	30,000			30,000	0
	Total Planning and Development Committee	30,000	0	0	30,000	0

Overall Capital Programme 2011/12

Cost Centre	Schemes	BUDGET ANALYSIS				EXPENDITURE ANALYSIS
		Original Estimates 2011/2012 £	Slippage 2010/11 £	Additional Approvals £	Total Approved Budget £	Total Expenditure to Date £
<u>Policy and Finance Committee</u>						
CCCRM	Contact Centre CRM Replacement	25,000			25,000	27,322
	Total Policy and Finance Committee	25,000	0	0	25,000	27,322
<u>Health and Housing Committee</u>						
CMEXT	Clitheroe Cemetery Extension		4,590		4,590	948
DISCP	Disabled Facilities Grants	180,000	35,000		215,000	81,051
EEGRT	Energy Efficiency Grant		2,000		2,000	300
LANGR	Landlord/Tenant Grants	100,000	56,080		156,080	35,506
REPPF	Repossession Prevention Fund		13,560		13,560	0
RESGT	Renewable Energy Source Grants		8,000		8,000	1,500
	Total Health and Housing Committee	280,000	119,230	0	399,230	119,305
	TOTALS FOR ALL COMMITTEES	605,000	157,520	118,580	881,100	238,680

MINUTES OF BUDGET WORKING GROUP MEETING (Special Meeting of Capital Working Group)

HELD 9 AUGUST 2011

Present: Cllrs: Ranson, Sherras, T Hill, Knox, Rogerson, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

1.1 Cllrs: Hirst, Thompson.

2 Minutes of Last Meeting Held on 21 July 2011

2.1 The Director of Resources referred to the consultation paper entitled 'Local Government Resource Review: Proposals for Business Rates Retention'. This was raised under any other business at the previous meeting. Members were reminded that the closing date for the consultation was 24 October.

2.2 The Director of Resources also highlighted to members that she was due to have a meeting with the Lancashire CFOs Group on 16 September to discuss a joint response. She encouraged members to pass on to her any comments that they may have on the proposals in the consultation paper, in order that they may be included in the joint response.

3 Capital Programme

3.1 A report was presented by the Director of Resources which asked a number of questions around the capital programme, namely:

- Type of capital programme for the future
- How we should finance the capital programme

3.2 Reference was made to the New Homes Bonus as a method of finance for the capital programme in future years. Cllr Rogerson suggested that this may be best used to finance the development of Industrial Units through the capital programme.

3.3 Cllr Sherras raised issues around development control. He also raised member's awareness to a new Community Infrastructure Levy which may be a mechanism that the council could take advantage of in future years. Cllr Sherras suggested that he could prepare a briefing note for circulation.

3.4 Cllr T Hill suggested that the council should improve the assets that it already has in place before looking to further developments. He made reference to improving car parking, which is an issue for businesses and would better support them. He felt that it was only then that the council should look at larger development schemes to support business growth.

3.5 The Chief Executive suggested that members should look to categorising a capital programme, which could then help focus where the funding should be sourced. The suggestion below was made:

Category of Capital Spend	Method of Financing
Housing Services	VAT Shelter
Service Support and Delivery	Borrowing and Revenue
Economic Growth and Prosperity	New Homes Bonus

- 3.6 Members queried under which category Community Assets would fall. Cllr Ranson suggested that the Council should be encouraging other bodies in the provision of Community Assets.
- 3.7 Cllr Sherras suggested that a further category could be added for Community Assets, for schemes which would only go ahead if there was available Community Infrastructure Levy (CIL) attached to the scheme to fund it.
- 3.8 The Director of Resources suggested that members may wish to consider adding a ceiling of resources for each year of the capital programme, for each of the categories previously suggested.
- 3.9 Cllr Ranson stated that the future capital programme should be a four year rolling programme. This being the current financial year as year one, plus a further three years forward plan.
- 3.10 All future capital programme projects were to be set aside. Heads of Service were to be asked to make fresh bids for capital resources based on the most minimal of requirements to keep the council's services running for the next three years, with a focus on services that the council **must** carry out. A full list of these bids was to be brought to the next meeting of the Budget Working Group.
- 3.11 Cllr Ranson suggested that members may in the future consider further schemes outside the above remit, should funding be available. The next stage of consideration would focus on what can be done to improve the council's services.
- 3.12 Cllr Ranson made reference to the Asset Management Group (AMG), and the potential for resources from the sale of surplus assets. The Chief Executive suggested that the AMG could prepare a list of council assets for the Budget Working Group for a future meeting.

4 Any Other Business

- 4.1 There were no items for discussion under any other business.

5 Date and Time of Next Meeting

- 5.1 Date and time of next meeting was agreed as **19 September 2011 at 4.00pm in Committee Room 1.**

- 5.2 Other future planned meeting dates are:

Monday 17 October 2011 at 4.30 in CR1

Thursday 17 November 2011 at 4.30 in CR1

Monday 19 December 2011 at 4.00 in CR1

Monday 16 January 2012 at 4.30 in CR1

MINUTES OF CAPITAL WORKING GROUP AND BUDGET WORKING GROUP MEETING

HELD 19 SEPTEMBER 2011

Present: Cllrs: Ranson, Sherras, T Hill, Hirst, Knox, Thompson, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

1.1 Cllr Rogerson

2 Minutes of Budget Working Group (Special Meeting of Capital Working Group) 9 August 2011

2.1 Members approved the minutes of the last meeting of the Budget Working Group.

2.2 Cllr Sherras made reference to the Community Infrastructure Levy (CIL) which was mentioned at the last meeting as a potential funding source for Community capital schemes. He informed members that the council's Head of Regeneration and Housing and the Head of Planning Services had recently attended a seminar on the subject.

CAPITAL WORKING GROUP

3 Progress on Capital Programme 2012-15

3.1 The Director of Resources presented a report to members on the progress that had been made to date on the Capital Programme 2012-15. A summary of the bids received was provided within the report, together with full details of each individual scheme within a separate booklet.

3.2 Members recommended that the report be referred to the Corporate Management Team (CMT) for them to review the schemes that had been put forward, with a view to CMT reporting back to the next meeting of the Capital Working Group.

BUDGET WORKING GROUP

4 Revenue Budget Forecast 2011/12 to 2014/15

4.1 Members were taken through the report on the Revenue Budget Forecast for 2011/12 to 2014/15. The Director of Resources highlighted the assumptions that had been made.

4.2 The forecast highlighted that savings were needed for 2012/13 of £600K. Should the total savings found for 2012/13 be **non-recurring**, then further savings would be needed in 2013/14 of £690K, and £670K in 2014/15.

4.3 This point was emphasised, in that if the service review savings that are currently being reviewed for 2012/13 are recurring – which is expected, this will substantially alleviate the level of savings needed in future years, based on the assumptions used in the forecast.

5 Revenue Budget Monitoring 2011/12

- 5.1 A revenue monitoring report was presented to members. The report focused on the areas of Employee Costs, Income from Fees and Charges and Interest Income.
- 5.2 The report showed that up to the end of August there were savings of £116K on employee costs, additional income of £28K and a shortfall on investment income of £3K.
- 5.3 It was highlighted to members that the level of savings shown on employee costs was as anticipated and was at a level previously forecast to members. This was due to the strict review that was being undertaken by CMT whenever a vacancy arose within the council. There were now a large number of post vacancies with the council, which accounted for the savings shown.
- 5.4 The additional income was largely due to Planning Fees.
- 5.5 The DoR stressed that as a result of the measures being taken, significant underspends were anticipated in the current financial year.

6 Consultation Paper on Localising Support for Council Tax

- 6.1 The DoR reported to members on the consultation paper on localising support for council tax. The last day for responses to the consultation paper was 14 October 2011. A full version of the consultation paper had been left in the Members' Room.
- 6.2 The proposals in the consultation paper were outlined to members, who discussed the proposals for responding to the consultation.
- 6.3 It was agreed that draft responses should be provided to members of the Budget Working Group by email, with an invitation for comments from BWG prior to the 14 October 2011 deadline.
- 6.4 Cllr Ranson asked that the final response be copied to himself and also to Nigel Evans MP.

7 Consultation Paper on Retention of Business Rates

- 7.1 The DoR reported to members on the consultation paper on retention of business rates. The last day for responses to the consultation paper was 24 October 2011. A full version of the consultation paper had been left in the Members' Room.
- 7.2 The DoR updated members on discussions that had been held at the Lancashire Chief Financial Officer's meeting on Friday 16 September.
- 7.3 It was agreed that draft responses should be provided to members of the Budget Working Group, with an invitation for comments from BWG prior to the 24 October 2011 deadline. Once again Cllr Ranson asked that the final response be copied to himself and also to Nigel Evans MP.

8 Any Other Business

- 8.1 There were no items for discussion under any other business.

9 Date and Time of Next Meeting

- 9.1 Date and time of next meeting was agreed as **Monday 17 October 2011 at 4.30pm in Committee Room 1.**

- 9.2 Other future planned meeting dates are:

Thursday 17 November 2011 at 4.30 in CR1

Monday 19 December 2011 at 4.00 in CR1

Monday 16 January 2012 at 4.30 in CR1

ANNUAL REPORT TO POLICY & FINANCE COMMITTEE

RE- OUTSIDE BODY- RIBBLE VALLEY CITIZENS ADVICE BUREAU

NOVEMBER 2011

Prepared by Councillor Lois Rimmer JP

The advice service is governed by 13 trustees of which four are Borough Councillors, although one is there as a representative of the Town Council.

It is operated by 8 part time employees (3.8 full time equivalent posts) and 17 volunteers who give a commitment of at least 7 hours a week each.

Quality Mark Award

In September 2011 the national membership organisation, Citizens Advice carried out its 3 yearly audit of quality and membership standards. The auditor complimented the strength of staff commitment and has verbally confirmed membership and the award of Community Legal Service Quality Mark at General Help level with debt casework until 2014.

The principal advice area is debt (30% of enquiries). Two employees are **Insolvency Service - qualified Debt Relief Order intermediaries**. This level of support in debt case work distinguishes the service as a leading CAB resource for clients. The service also supports clients directly at Employment Tribunal and can ensure representation at Benefits Appeal Hearings.

NB. See separate sheet which shows a full breakdown of the advice areas for each RV ward.

Funding

The voluntary agency grant from RVBC for 10/11 was £60,000 and from a range of sources the CAB expects to bring in a further £68,000 this year. Most of this sum is from local charitable donations.

Project money from Ribble Valley Homes supports the outreach work to tenants in Clitheroe and Longridge.

Outreach

The bureau is committed to maintaining the outreach service to enable access to the service, to those residents who can more easily reach the face to face advice in Longridge.

Telephone advice is also a key part of the service to enable advice to be accessed by people in all Ribble Valley communities. 44% of our clients do not live in Clitheroe and 40% of clients first contact us by telephone.

Absolute commitment

The organisation is passionate about serving Ribble Valley people and the trustees have resisted proposed changes by Citizens Advice to share resources with other East Lancashire bureaux.

The trustees believe the advice team performs well for local people as a locally organised service. The board states that it will only consider changes on evidence that they would benefit people in the Ribble Valley.

Citizens Advice now accept this position and are no longer putting forward arguments for joint working. The CAB is pleased to see confirmation of this position as they enjoy working to deliver a dynamic, value for money service for local people.

Councillor Lois Rimmer JP

Councillor Noel Walsh

Councillor Mary Robinson

The top line (Ben, Con etc) describes the main enquiry made by the client – Benefits, Consumer, Debt, Education, Employment, Financial, Health, Housing, Immigration, Legal, Other, Relationships, Signposting, Tax, Travel or Utilities

Local Authority: Ribble Valley																
LA Ward	BEN	CON	DEB	EDU	EMP	FIN	HEA	HOU	IMM	LEG	OTH	REL	SIG	TAX	TRA	UTI
Aighton, Bailey and Chaigley	4	1	2	1	4	1	1	0	1	7	0	4	0	0	1	0
Alston and Hothersall	4	1	3	1	2	0	0	2	0	1	1	1	0	0	0	1
Billington and Old Langho	9	3	10	1	6	2	0	10	0	6	1	3	0	2	1	2
Bowland, Newton and Slaidburn	4	1	4	1	1	1	0	2	0	3	0	3	0	1	0	0
Chatburn	14	2	13	1	8	5	0	6	0	5	2	8	0	3	0	3
Chipping	1	0	1	1	0	2	0	2	0	1	0	1	0	0	0	0
Clayton-le-Dale with Ramsgreave	6	1	2	0	1	2	1	0	0	0	2	1	0	0	0	0
Derby and Thornley	9	1	8	0	3	0	1	2	0	3	1	1	0	2	0	0
Dilworth	5	3	1	0	3	1	0	2	1	3	0	1	0	2	0	1
Edisford and Low Moor	50	9	38	2	24	5	5	14	3	13	3	9	0	3	1	12
Gisburn, Rimington	6	0	2	0	7	2	1	5	0	4	0	4	0	1	0	0
Langho	4	0	5	0	4	0	1	4	0	3	1	1	0	0	2	2
Littlemoor	52	8	40	4	29	5	3	8	2	5	4	7	2	5	3	10
Mellor	8	0	5	0	0	0	0	0	0	0	0	1	0	0	0	1
Primrose	56	9	41	2	31	10	6	21	2	17	3	11	0	3	2	15
Read and Simonstone	3	1	6	0	3	2	0	6	0	2	0	3	0	1	0	0
Ribchester	4	3	2	0	3	0	0	1	0	2	0	0	0	1	0	1
Sabden	15	2	10	1	3	0	2	3	0	2	1	3	0	0	0	11
Salthill	47	11	31	6	25	7	3	16	1	17	5	7	0	7	4	10
St Mary's	21	6	9	1	14	1	1	6	0	2	4	9	0	7	0	0
Waddington and West Bradford	14	6	14	1	9	3	1	5	0	10	0	3	0	2	1	4
Whalley	14	5	12	0	7	2	0	5	0	3	2	1	0	3	2	5
Wilpshire	5	2	2	0	1	0	0	2	0	4	0	0	0	0	0	0
Wiswell and Pendleton	10	7	4	0	4	3	2	2	0	3	0	2	0	1	0	2
Total Clients	365	82	265	23	192	54	28	124	10	116	30	84	2	44	17	80

The 5 Clitheroe wards are St Mary's, Salthill, Primrose, Littlemoor and Edisford & Low Moor. As the bureau office with 24 hour per week face to face drop in service is located in Clitheroe, and the wards with the highest deprivation are all in Clitheroe, it is expected that a majority of service users reside in Clitheroe. This table shows the residence of Ribble Valley Citizens Advice Bureau clients for this financial year, to date.

For example, the 3 Longridge wards of Derby/ Thornley, Dilworth and Alston/Hothersall is home to 72 clients who mainly enquired about benefits.

Citizens Advice (England and Wales) - advice statistics by client's home local authority

2010-11 (April 10-March 11)

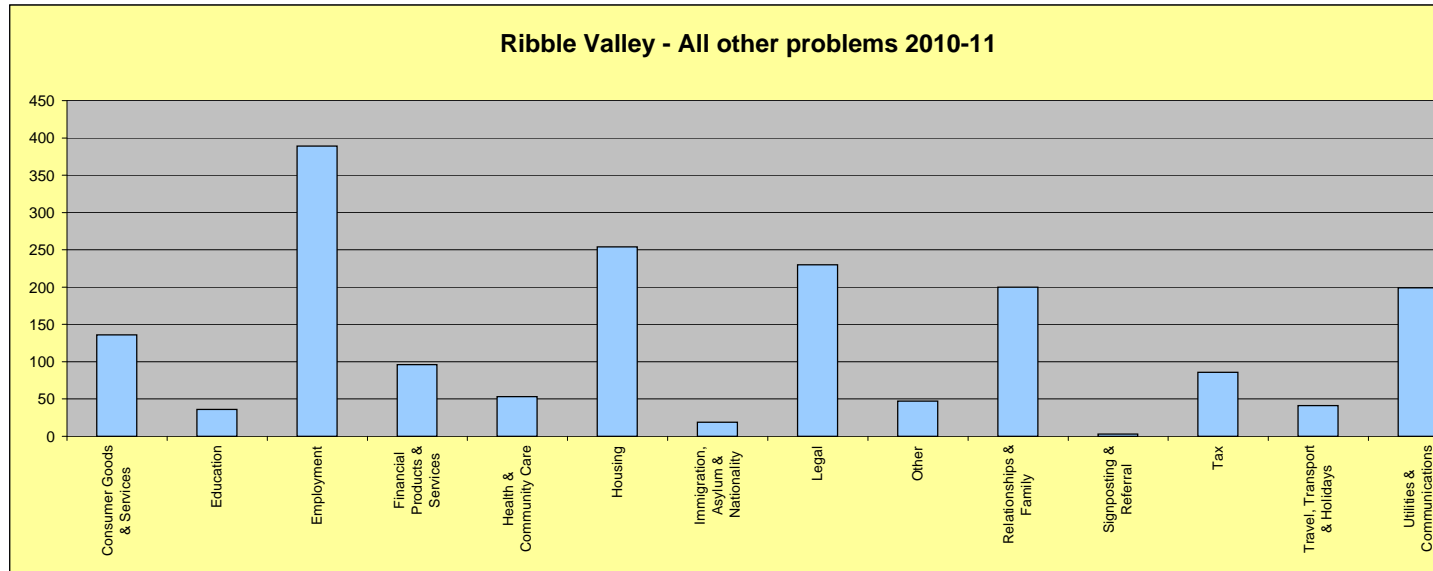
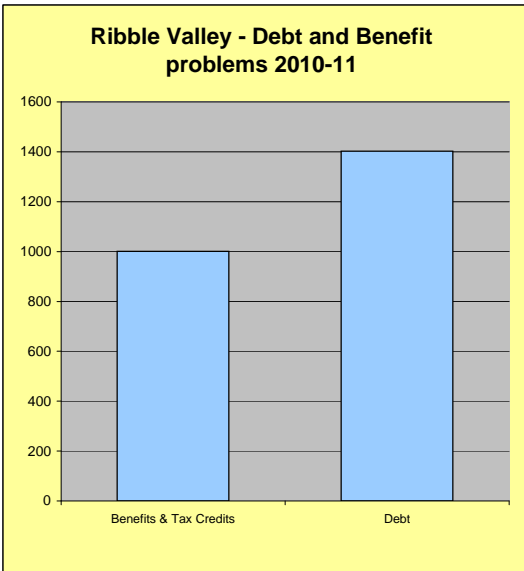
NOTE: Statistics exclude any 'Daysheet' enquiries without full client records.

Local Authority
Ribble Valley

Total Number of Clients starting a new Enquiry in the Year	1,866
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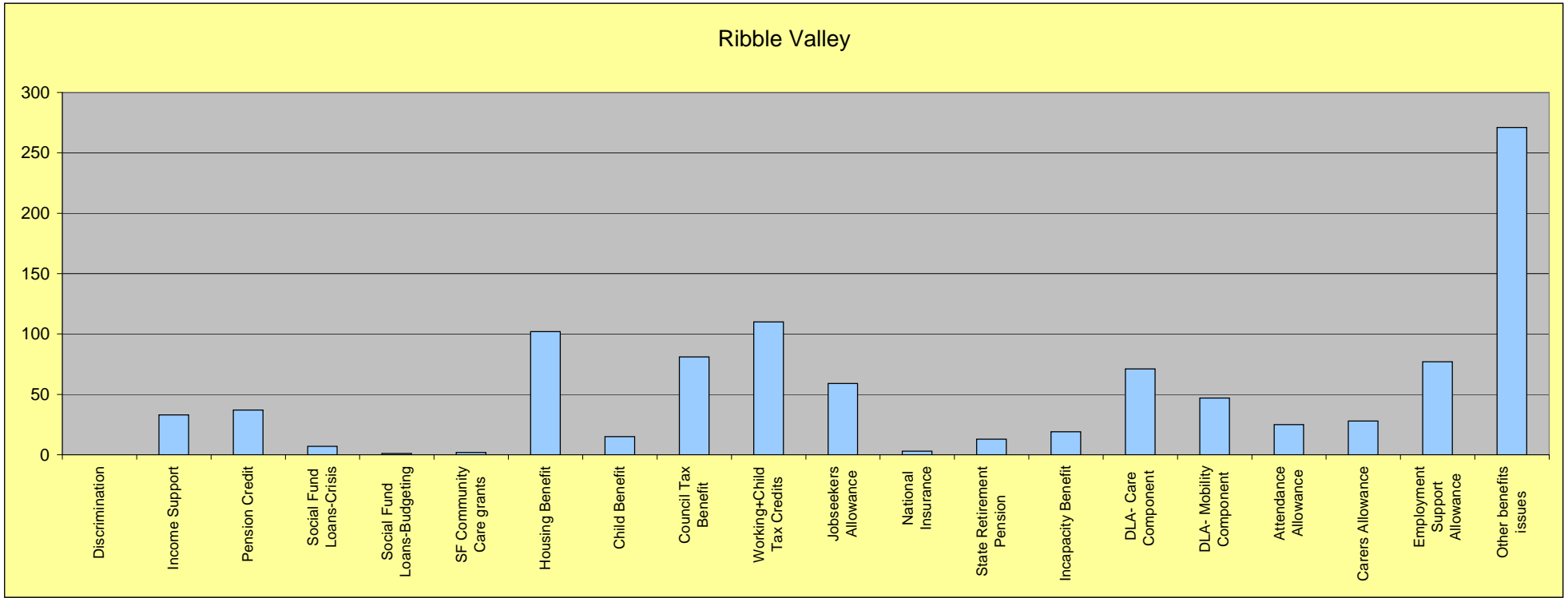
Summary of problems

Local Authority	Benefits & Tax Credits	Consumer Goods & Services	Debt	Education	Employment	Financial Products & Services	Health & Community Care	Housing	Immigration, Asylum & Nationality	Legal	Other	Relationships & Family	Signposting & Referral	Tax	Travel, Transport & Holidays	Utilities & Communications
Ribble Valley	1001	136	1403	36	389	96	53	254	19	230	47	200	3	86	41	199

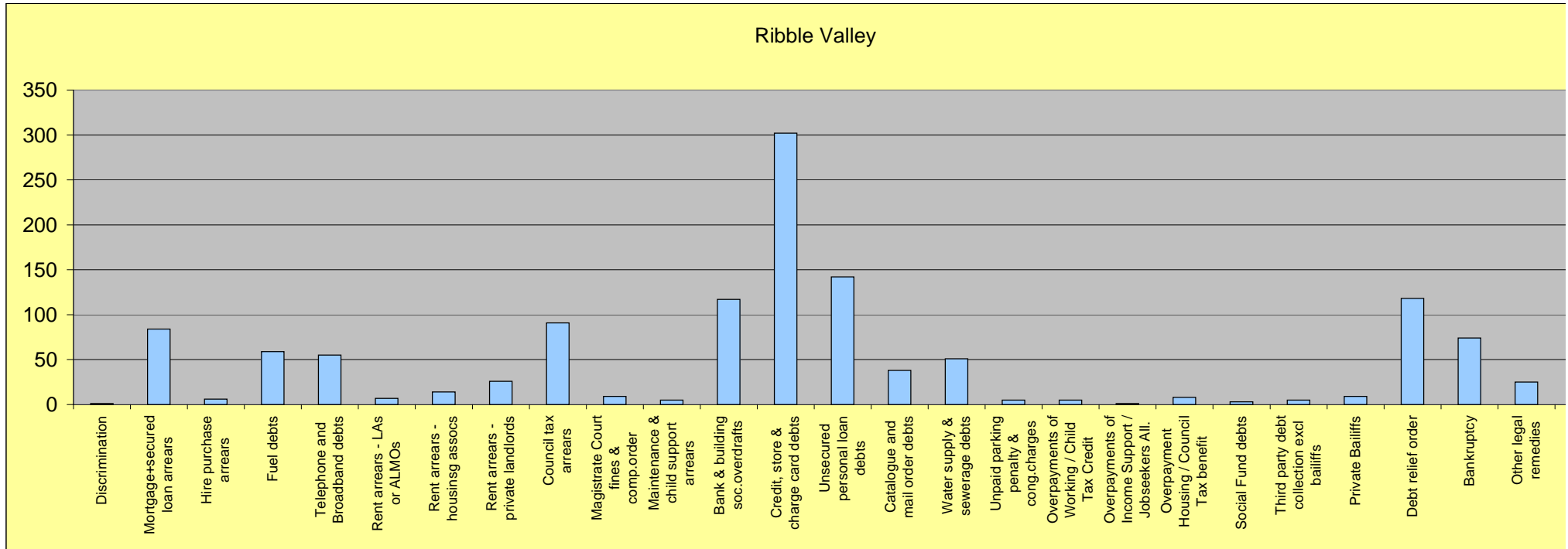


Breakdown of main problem categories

BENEFITS																				
Local Authority	Discrimination	Income Support	Pension Credit	Social Fund Loans-Crisis	Social Fund Loans-Budgeting	SF Community Care grants	Housing Benefit	Child Benefit	Council Tax Benefit	Working+Child Tax Credits	Jobseekers Allowance	National Insurance	State Retirement Pension	Incapacity Benefit	DLA- Care Component	DLA- Mobility Component	Attendance Allowance	Carers Allowance	Employment Support Allowance	Other benefits issues
Ribble Valley	0	33	37	7	1	2	102	15	81	110	59	3	13	19	71	47	25	28	77	271

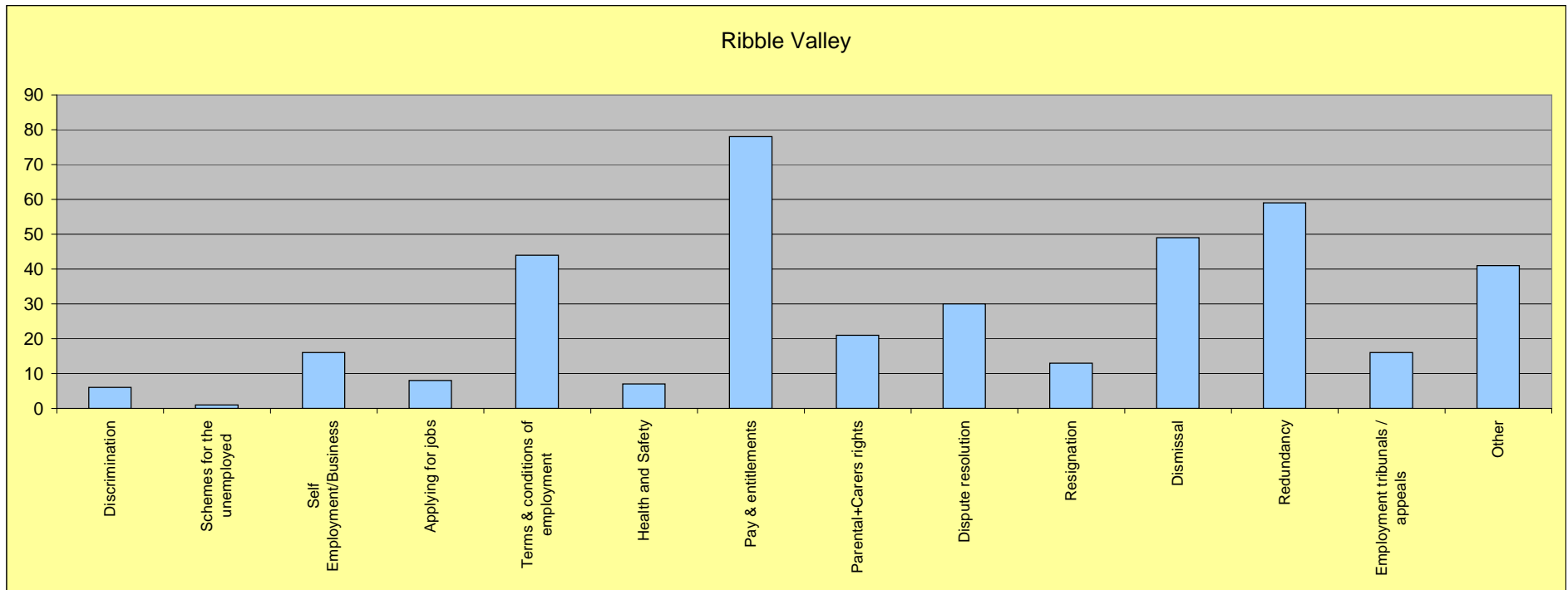


DEBT	
Local Authority	
Ribble Valley	1
Discrimination	84
Mortgage+secured loan arrears	6
Hire purchase arrears	59
Fuel debts	55
Telephone and Broadband debts	7
Rent arrears - LAs or ALMOs	14
Rent arrears - housings assocs	26
Rent arrears - private landlords	91
Council tax arrears	9
Magistrate Court fines & comp.order arrears	5
Maintenance & child support arrears	117
Bank & building soc.overdrafts	302
Credit, store & charge card debts	142
Unsecured personal loan debts	38
Catalogue and mail order debts	51
Water supply & sewerage debts	5
Unpaid parking penalty & cong.charges	5
Overpayments of Working / Child Tax Credit	1
Overpayments of Income Support / Jobseekers All.	8
Overpayment Housing / Council Tax benefit	3
Social Fund debts	5
Third party debt collection excl bailiffs	9
Private Bailiffs	118
Debt relief order	74
Bankruptcy	

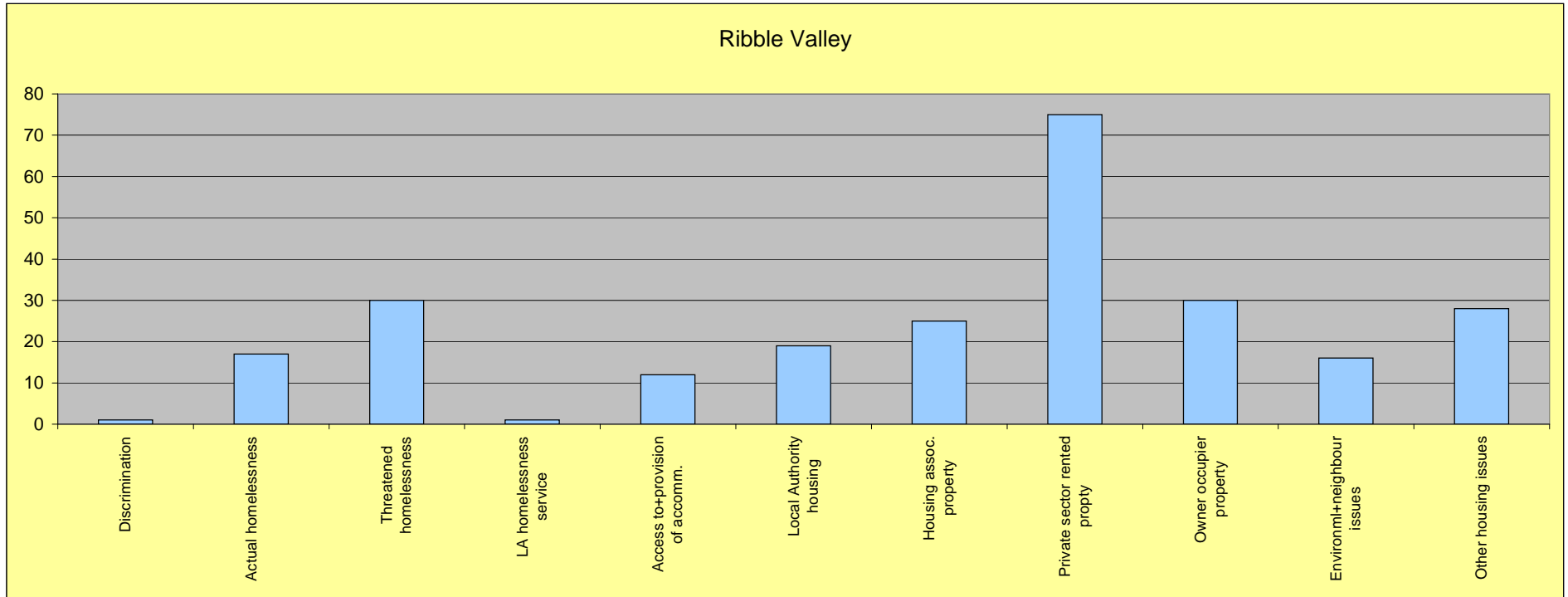


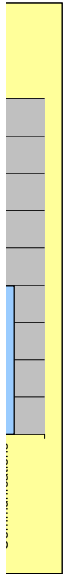
EMPLOYMENT

Local Authority	Discrimination	Schemes for the unemployed	Self Employment/Business	Applying for jobs	Terms & conditions of employment	Health and Safety	Pay & entitlements	Parental+Carers rights	Dispute resolution	Resignation	Dismissal	Redundancy	Employment tribunals / appeals	Other
Ribble Valley	6	1	16	8	44	7	78	21	30	13	49	59	16	41

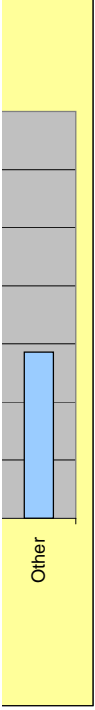


Housing											
Local Authority	Discrimination	Actual homelessness	Threatened homelessness	LA homelessness service	Access to+provision of accomm.	Local Authority housing	Housing assoc. property	Private sector rented propty	Owner occupier property	Environml+neighbour issues	Other housing issues
Ribble Valley	1	17	30	1	12	19	25	75	30	16	28





Other legal remedies	Other
25	143



RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 22 NOVEMBER 2011
title: SURVEILLANCE COMMISSIONERS INSPECTION REPORT DATED 23 AUGUST 2011
submitted by: SOLICITOR
principal author: MAIR HILL

1. PURPOSE

1.1 To report to committee the result of the Office of Surveillance Commissioners inspection report dated 23 August 2011, arising from an inspection carried out by Mr Andrew Mackian (Surveillance Inspector) on 17 August 2011.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions – To prevent and/or detect crime or disorder, whilst respecting individuals rights under the European Convention on Human Rights (the “ECHR”) and the Human Rights Act 1998 (the “HRA”).
- Community Objectives – None.
- Corporate Priorities – None.
- Other Considerations – None.

2. BACKGROUND

2.1 HRA incorporated the ECHR into domestic law.

Article 8 of the ECHR provides that:

- “1. *Everyone has the right to respect for his private and family life, his home and his correspondence.*
2. *There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well being of the country for the prevention of disorder or crime, for the protection of health or morals or for the protections of the rights and freedoms of others.”*

2.2 There is therefore a qualified right for the Council to interfere with an individual's rights under Article 8, if it is done in accordance with the law, is necessary and is proportionate to the aims, which it seeks to achieve.

2.3 Any individual undertaking surveillance on behalf of the Council will therefore be breaching an individual's human rights unless that surveillance is authorised in accordance with the law, is necessary for one of the reasons set out above and is proportionate.

The Regulation of Investigatory Powers Act 2000 (“RIPA”)

- 2.4 RIPA came into force on 25 September 2000; its aim is to strike a balance between protecting individuals’ rights under Article 8 ECHR and the HRA and the need for investigatory powers to protect the interests of society as a whole. RIPA allows the Council to carry out directed surveillance and/or use covert human intelligence sources (“CHIS”) lawfully if it is authorised in accordance with the provisions of RIPA, it is necessary for the purpose of preventing or detecting crime or disorder, and it is proportionate to the aims, which it seeks to achieve.
- 2.5 In order to ensure that all public bodies are using and operating the system for RIPA authorisations properly, the Office of the Surveillance Commissioner (“OSC”) carries out inspections routinely.
- 2.6 Mr Andrew Mackian of the OSC (the “Inspector”) inspected the Council on 17 August 2011. A copy of the covering letter from the Chief Surveillance Inspector dated 15 September 2011 and Mr Mackian’s report setting out his findings and recommendations are attached at Appendix 1 to this report (the “Inspection Report”).
- 2.7 Prior to the inspection it was made clear that its main purpose was to review the progress made since the last inspection (June 2008) and in particular whether the Council had discharged the recommendations made in the OSC’s report dated 6 June 2008 (the “2008 Report”) which were reported to committee on 18 November 2008.
- 2.8 The Inspector’s review of the Council’s progress is set out in paragraph 10 of the Inspection Report. Committee will note that the Inspector found that each of the recommendations made in the 2008 Report had been discharged by the Council.
- 2.9 In paragraph 11 of the Inspection Report the Inspector reviewed the Council’s policy and made an observation that “...*inclusion of the guidance within paragraph 3.6 of the CSPI Code of Practice should be considered when the next policy revision is undertaken.*” The policy has been amended to include this and a copy of the amended policy is attached at **Appendix 2**. The amendments are shown in track changes.
- 2.10 The policy has also been amended to reflect the authorisation given by committee on 18 November 2008 that the Legal Services Manager (now Head of Legal and Democratic Services) could carry out periodic reviews of the policy and amend it to the extent necessary to keep it up to date and in line with Home Office guidance.
- 2.11 In paragraph 13 of the Inspection Report the Inspector noted the training, which had been provided since the previous inspection and suggested that the legal department should consider the retention of a central training record. The legal department will adopt this suggestion.
- 2.12 In paragraphs 14 to 19 of the Inspection Report, the Inspector noted a number of significant issues. In paragraph 14, the Inspector referred to the Central Record of Authorisations held by the legal department. He noted, “*The only addition to the record for full compliance with paragraph 8.1 of the CSPI Code of Practice, is a column to record self authorisation by an Authorising Officer.*” The Central Record of Authorisations has been amended accordingly and a copy is attached at **Appendix 3**.

- 2.13 The other significant issues relate to suggestions for any future authorisations. These points have been noted by the legal department and will be taken into account in the future.
- 2.14 Three additional recommendations are made in paragraph 9 of the Inspection Report and are as follows:
- 2.14.1 Formalise the role of Senior Responsible Officer and include such detail within RIPA policy;
- 2.14.2 Future applications and authorisations to include advice provided within this report; and
- 2.14.3 Continuity to be maintained by the applicant and the Authorising Officer to the recording of signatures within applications and authorisations.
- 2.15 In response to these recommendations the Council has taken the following action:

The Senior Responsible Officer

- 2.15.1 Committee will note from paragraph 6 of the Inspection Report that paragraphs 3.28-3.30 of the Code state that it is good practice for each authority to appoint a Senior Responsible Officer who will oversee the operation of RIPA and also deal with the Surveillance Commission Inspectors and implement the recommendations of their reports. The Code also suggests that this Officer should be part of the corporate leadership team. Previously, the legal department had carried out this role on an informal basis. However, the Council's Solicitor does not sit on the corporate leadership team. This point was raised with the Inspector and Committee will note from paragraph 6 that his opinion is that the arrangements are entirely satisfactory. It is therefore proposed that the role be formalised and that Committee approve the appointment of the Council's Solicitor in this role.
- 2.15.2 The Inspector also asked that the policy be amended to reflect this. The policy has been amended accordingly and is appended to this report at Appendix 2. Committee is asked to approve this.

Future Applications and Authorisations

- 2.16 As stated above the Council's Solicitor will ensure that any future applications include the advice set out in the inspector's Report, and also that the applicant and Authorising Officer maintain continuity in the recording of signatures within applications and authorisations.
3. RISK ASSESSMENT
- 3.1 The approval of this report may have the following implications:
- Resources – None.

Technical, Environmental and Legal – The Council will be better able to pursue legal action as necessary.

Political – None.

Reputation – The Council's response to the Inspector's Report would demonstrate the Council's commitment to carrying out its responsibilities.

5. RECOMMENDED THAT COMMITTEE

- 5.1 Note the Inspector's recommendations.
- 5.2 Approve the appointment of the Council's Solicitor as the Senior Responsible Officer
Approve the amended policy.
- 5.3 Approve the amended Central Record of Authorisations.
- 5.4 Approve the amended policy.

MAIR HILL
SOLICITOR

SOLICITOR BACKGROUND PAPERS

For further information please ask for Mair Hill, on extension 3216.

APPENDIX 1

The Rt Hon Sir Christopher Rose



Office of Surveillance
Commissioners



Chief
Surveillance
Commissioner

RECEIVED BY
CHIEF EXECUTIVE

19 SEP 2011



Restricted

15th September 2011

Dear Mr. Scott,

Covert Surveillance

On 17th August 2011, one of my Inspectors Mr Andrew Mackian, visited your Council on my behalf to review your management of covert activities. I am grateful to you for the facilities afforded for the inspection

I enclose a copy of Mr Mackian's report which I endorse. I am pleased to see that the recommendations made following the last inspection 3 years ago have all been discharged and that good practice is identified in the proposed compliance oversight by Legal Services of applications and authorisations. Your personal commitment and that of your Head of Legal Services Mrs Rice and your Senior Responsible Officer, Mrs Hill is commendable. Although little use is made of your covert powers, compliance standards should be high.

The recommendations are that the role of SRO be formalised and included in your RIPA policy, that future applications and authorisations reflect the advice in the report and that the recording of signatures on applications and authorisations be consistent to maintain continuity

I shall be glad to learn that your Council accepts the recommendations and will see that they are implemented.

One of the main functions of review is to enable public authorities to improve their understanding and conduct of covert activities. I hope your Council finds this process constructive. Please let this Office know if it can help at any time.

Yours sincerely
Christopher Rose

Mr Marshal Scott
Chief Executive
Ribble Valley Borough Council
Council Offices
Church Walk
Clitheroe
BB7 2RA

RESTRICTED



**Office of Surveillance
Commissioners**

OFFICE OF SURVEILLANCE COMMISSIONERS

INSPECTION REPORT

**Ribble Valley Borough Council
17th August 2011**

**Surveillance Inspector:
Andrew Mackian**

RESTRICTED

RESTRICTED covering CONFIDENTIAL

DISCLAIMER

This report contains the observations and recommendations identified by an individual surveillance inspector, or team of surveillance inspectors, during an inspection of the specified public authority conducted on behalf of the Chief Surveillance Commissioner

The inspection was limited by time and could only sample a small proportion of covert activity in order to make a subjective assessment of compliance. Failure to raise issues in this report should not automatically be construed as endorsement of the unreported practices.

The advice and guidance provided by the inspector(s) during the inspection could only reflect the inspectors' subjective opinion and does not constitute an endorsed judicial interpretation of the legislation. Fundamental changes to practices or procedures should not be implemented unless and until the recommendations in this report are endorsed by the Chief Surveillance Commissioner.

The report is sent only to the recipient of the Chief Surveillance Commissioner's letter (normally the Chief Officer of the authority inspected). Copies of the report, or extracts of it, may be distributed at the recipient's discretion but the version received under the covering letter should remain intact as the master version.

The Office of Surveillance Commissioners is not a public body listed under the Freedom of Information Act 2000, however, requests for the disclosure of the report, or any part of it, or any distribution of the report beyond the recipients own authority is permissible at the discretion of the Chief Officer of the relevant public authority without the permission of the Chief Surveillance Commissioner. Any references to the report, or extracts from it, must be placed in the correct context

RESTRICTED



Office of Surveillance
Commissioners

The Rt Hon Sir Christopher Rose
Chief Surveillance Commissioner
PO Box 29105
London SW1V 1ZU

23rd August 2011

OSC INSPECTION REPORT – RIBBLE VALLEY BOROUGH COUNCIL

INSPECTION DETAILS

1. Date of Inspection

17th August 2011

2. Inspector

Andrew Mackian.

INTRODUCTION

3. As described in the 2008 OSC inspection report, Ribble Valley Borough Council is a second tier local authority providing services to the town of Clitheroe and the mainly rural areas of Ribble Valley and the Trough of Bowland.
4. One authorisation to conduct Directed Surveillance, as defined by section 26(2) of the Regulation of Investigatory Powers Act 2000 (RIPA), has been granted since the last inspection visit. No application has been made to make use of a Covert Human Intelligence Source (CHIS) as defined by section 26(8) of the 2000 Act and current council policy makes it unlikely that this situation will change. There were no reported matters of confidential information gathering to make comment upon.
5. Authorising Officer responsibilities have been restricted to the Chief Executive, Director of Community Services, and Director of Resources. The council, as reported in 2008, has out-sourced housing stock responsibilities.
6. Mrs Mair Hill, Solicitor to the Council, has undertaken duties as Senior Responsible Officer as set out in paragraphs 3.28 to 3.30 of the Covert Surveillance and Property Interference Code of Practice (CSPI). Whilst not a member of the corporate leadership team as set out in paragraph 3.29 of the publication, Mrs Hill has competently undertaken the responsibilities and reports directly to the Head of Legal Services. The arrangements are considered to be entirely satisfactory. The comprehensive action plan response to address the 2008 recommendations prepared by Mrs Hill, further supports this conclusion.
7. The Chief Executive for Ribble Valley Borough Council is Mr Marshal Scott. Correspondence should be forwarded to the Council Offices, Church Walk

Clitheroe, BB7 2RA.

INSPECTION APPROACH

8. Pre-inspection planning took place with Mrs Hill prior to the inspection, which included reviewing RIPA policies and procedures. A briefing was provided by Mrs Diane Rice Head of Legal Services and Mrs Hill. The action taken to meet the 2008 inspection recommendations was set out and an examination made of the Central Record of Authorisations, the single authorisation record, RIPA policies and training records.
9. A de-brief of the inspection visit was held with Mrs Rice, Mrs Hill and Mr Marshal Scott, Chief Executive.

REVIEW OF PROGRESS

10. The 2008 OSC inspection of the Council produced the following four recommendations:

Recommendation 1

The council's policy would benefit from the specified amendments and any other learning points arising from this inspection.

Action

Policy amended. Recommendation discharged.

Recommendation 2

The Central Record of authorisations should contain the information required by the Covert Surveillance Code of Practice and a more robust regime of corporate oversight implemented.

Action

Some minor amendments remain. Although not tested, a structured oversight process has now been introduced. Recommendation discharged.

Recommendation 3

Applicants, Authorising Officers and those with oversight responsibility should ensure that the content of future applications and authorisations address the matters raised herein.

Action

It was difficult to determine the outcome of this recommendation due to the limited use of the legislation by the council. However oversight arrangements now in place should ensure that compliance standards remain consistent.

Recommendation discharged.

Recommendation 4

There should be training provided to those persons with a role in the application, authorisation and oversight processes as a matter of urgency. The learning points from this inspection should be incorporated within that training.

Action

be carried out.

17. It was noted that the documentation presented for inspection had an inconsistency in relation to the evidence of signatures by the applicant and Authorising Officer. This should be monitored in the future to ensure that challenge is not made through a lack of evidential continuity.
18. In addition it is important that those carrying out surveillance are fully aware of the parameters of an authorisation¹ and that Authorising Officers provide clear instruction on the management of surveillance product.²
19. Technical Equipment
Limited technical surveillance equipment is held by the council, however the application subject of inspection made mention of use of a camera and the operative's own camera/phone. It is important that the Authorising Officer makes clear that the use of such equipment is authorised and an audit record is made of such use for authorised covert purposes.³

Good Practice

20. Proposed compliance oversight by Legal Services of both RIPA applications and authorisations

CONCLUSIONS

21. Whilst virtually no use has been made of RIPA powers by this public authority, the recommendations from the 2008 inspection report have been diligently addressed. The engagement of the Chief Executive and Head of Legal Services during the inspection visit demonstrated the commitment given to securing compliance with the legislation and associated Codes of Practice. Mrs Mair Hill in her role as council Solicitor and Senior Responsible Officer, has clearly evidenced her competence in carrying out the duties of the role. Providing sound oversight is applied to any future use of RIPA powers, compliance standards should be of a high standard.
22. The arrangements made for the inspection visit were greatly appreciated

RECOMMENDATIONS

23. Recommendation 1

Formalise the role of Senior Responsible Officer and include such detail within RIPA policy.
(Paragraph 6)

- Recommendation 2

Future applications and authorisations to include the advice provided within this report

¹ See paragraph 3.10 CSPI Code of Practice

² See paragraph 9.3 of CSPI Code of Practice

³ See OSC Procedures and Guidance paragraph 291

(Paragraphs 15-19 and 21)

Recommendation 3

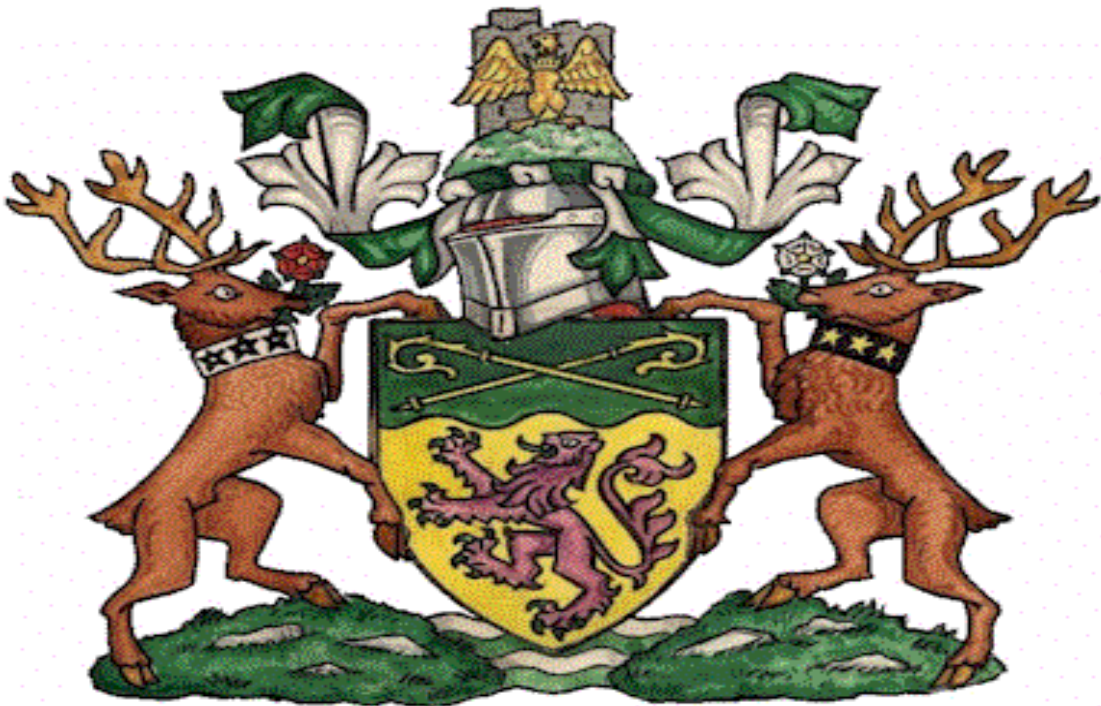
Continuity to be maintained by the applicant and the Authorising Officer to the recording of signatures within applications and authorisations.

(Paragraph 17)

Surveillance Inspector

APPENDIX 2

Ribble Valley Borough Council



Corporate Policy in Respect of Regulation of Investigatory Powers Act 2000 (“RIPA”)

November~~JUNE~~ 20110

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1. INTRODUCTION

1.1 This Corporate Policy is based upon the requirements of the Regulation of Investigatory Powers Act 2000 (“**RIPA**”), and the Home Office’s Code of Practice for Covert Surveillance, and Covert Human Intelligence Sources (“**CHIS**”) (the “**Codes**”).

1.2.4.2 Ribble Valley Borough Council (the “**Council**”) has also taken into account and incorporated the guidance given by the Office of Surveillance Commissioners in its report dated 4 June 2008 and August 2011, and is grateful to it for providing this.

1.3 On 18 November 2011 the Head of Legal and Democratic Services was authorised by the Council’s Policy and Finance Committee to carry out periodic reviews of this policy and to amend it to the extent necessary to keep it up to date and in line with the Home Office’s Codes of Practice.

1.43 Whilst this policy provides guidance it is not intended to be an authoritative source on the provisions of RIPA. All Officers must therefore make reference to RIPA itself and to the Codes for an authoritative position.

1.54 Should any Officer be uncertain in respect of any aspect of RIPA, the authorising procedures set out in this policy, or at all, they should contact the legal department of the Council immediately.

2. LEGISLATIVE BACKGROUND

2.1 The Human Rights Act 1998 (the “**HRA**”) incorporated the European Convention on Human Rights (the “**ECHR**”) into domestic law.

2.2 Article 8 of the ECHR provides that:

“1. *Everyone has the right to respect for his private and family life, his home and his correspondence.*

2. *There shall be no interference by a public authority with the exercise of this right except such as is **in accordance with the law** and is **necessary** in a*

democratic society in the interests of national security, public safety or the economic well being of the country, for the prevention of disorder or crime, for the protection of health or morals or for the protections of the rights and freedoms of others.” [Emphasis added]

2.3 There is therefore a qualified right for interference with individual’s rights under Article 8 if it is:

2.3.1 done in accordance with the law;

2.3.2 necessary; and/or

2.3.3 proportionate.

2.4 Any individual undertaking surveillance and/or using CHIS on behalf of the Council will therefore be breaching a person’s human rights unless that surveillance is authorised in accordance with the law, is necessary for one of the reasons set out above, and is proportionate.

2.5 This could have serious implications for the Council, not only in terms of its reputation, but could also potentially render any evidence gathered during the surveillance inadmissible in criminal proceedings, leave the Council open to civil proceedings for a breach of an individual’s human rights, and/or lead to a complaint being made to the Ombudsman. To avoid such a situation arising therefore, Officers must not carry out either Surveillance and/or CHIS unless the provisions of paragraph 2.3 are complied with.

In accordance with the law – RIPA

2.6 RIPA came into force on 25 September 2000, with the Codes subsequently coming into force pursuant to Section 71 of RIPA. The aim of RIPA was to strike a balance between protecting individuals’ rights under Article 8 ECHR and the HRA and the need for investigatory powers to protect the interests of society as a whole. It therefore allows interference with individuals’ rights in certain circumstances.

Necessity

- 2.7 It should be noted that pursuant to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Statutory Instrument No. 2010/521 a local authority, (and hence the Council) can only rely on Section 28 (3) (b) of RIPA as a ground for its interference being necessary. Therefore, under RIPA any interference can **only** be necessary if it is “*for the purpose of preventing or detecting crime or of preventing disorder.*”
- 2.8 However, not all applications for the purpose set out above will be necessary. The Authorising Officer, **must** be satisfied that it is necessary in all the circumstances. A judgment will have to be made on a case-by-case basis. Generally any such interference will be not be necessary if there is an alternative **overt** method which could be used to obtain the information. Authorising Officers should therefore satisfy themselves that all other methods have either been exhausted or are not practicable. Authorising Officers should also take care to record in the authorisation their reasoning as to why the action is necessary.

Proportionate

~~2.9.2.9~~ Once it has been established that such interference is necessary it must then be considered whether it is **proportionate** to what is to be achieved. The Authorising Officer should consider the following elements of proportionality (as set out in paragraph 3.6 of the Code):

2.9.1 Balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;

2.9.2 Explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;

2.9.3 Considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result; and

2.9.4 Evidencing as far as reasonably practicable what other methods had been considered and why they were not implemented.

~~2.10.1—The balance between the intrusiveness of the activity on the target and others who might be affected by it, against the need for the activity in operational terms;~~

~~2.10.2—Whether the activity is excessive in the circumstances of the case;~~

~~2.10.3—Whether the information could be obtained by less intrusive means; and/or~~

~~2.10.4Whether and how the activity will be managed to ensure that it meets the objective in question and so that it is not arbitrary or unfair.~~

- 2.10 Authorising Officers should also take care to record within the authorisation form the reasons why they consider that the action is proportionate.

3. SURVEILLANCE

What is surveillance?

3.1 Surveillance includes:

3.1.1 Monitoring, observing, listening to persons, watching or following their movements, listening to their conversations and other such activities or communications;

3.1.2 Recording anything mentioned above in the course of authorised surveillance; and/or

3.1.3 Surveillance, by or with, the assistance of appropriate surveillance device(s).

3.2 Surveillance can be either overt or covert.

Overt Surveillance

3.3 The vast majority of surveillance, which the Council carries out, will be overt and will involve Officers and employees noting events in the course of their normal daily duties. This will not fall within the scope of RIPA and will not require an authorisation. For example, a dog warden who notes an offence being committed as he/she carries out their daily routine will not require RIPA authorisation.

Covert Surveillance

3.4 Covert surveillance is defined in section 26(9)(a) of RIPA. It provides that *“surveillance is covert if, and only if, it is carried out in a manner that is calculated to ensure that persons who are subject to the surveillance are unaware that it is or may be taking place”*.

RIPA Part II

3.5 RIPA Part II applies to the following conduct:

- 3.5.1 Directed Surveillance
- 3.5.2 Intrusive surveillance
- 3.5.3 Covert Human Intelligence Sources

Directed Surveillance (Section 26(2) RIPA)

3.4 Section 26(2) defines directed surveillance as surveillance, which is:

- 3.4.1 Covert but not intrusive;
- 3.4.2 Undertaken for the purpose of a specific operation;
- 3.4.3 Undertaken in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); or
- 3.4.5 Otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under this Part to be sought for the carrying out of surveillance.

3.5 Section 26(10) defines “private information” in relation to a person as *“including any information relating to his private or family life”*.

Intrusive Surveillance (Section 26(3)-(6))

3.6 Section 26(3) defines surveillance as intrusive if and only if it is covert surveillance that:

- 3.6.1 Is carried out in relation to anything taking place on any residential premises or in any private vehicle; and

3.6.2 involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.

3.7 Pursuant to **Section 26 (5)** surveillance which:

3.7.1 Is carried out by means of a surveillance device in relation to anything taking place on a residential premises or in any private vehicle, but

3.7.2 Is carried out without that device being present on the premises or in the vehicle.

is not intrusive **unless** the device is such that it consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle.

3.8 Please note that there is **NO** provision for a local authority to authorise intrusive surveillance.

4. **COVERT INTELLIGENCE SOURCES (“CHIS”)**

Who is a CHIS?

4.1 **Section 26(8)** of RIPA defines a CHIS as a person who:

- (a) Establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within (b) & (c) below;
- (b) He covertly uses such a relationship to obtain information or to provide access to any information to another person; or
- (c) He covertly discloses information obtained by the use of such a relationship, or as a consequence of the existence of such a relationship.

4.2 This is defined further within **Section 26(9)(b)&(c)** so that:

- 4.2.1 A **purpose** will only be covert if, and only if, it is carried out in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.
- 4.2.2 A **relationship** is used **covertly**, and information obtained is **disclosed covertly**, if and only if it is used or, as the case may be, disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.
- 4.3 Hence, there is no use of a CHIS if a member of the public offers information to the Council that may be material to an investigation of an offence, but there would be if the Council then asked that person to obtain further information.

Authorising a CHIS

- 4.4 An authorisation **must** be obtained for CHIS in the same way as for directed surveillance. A detailed explanation of the authorisation process is contained in **Section 5** below. However, in addition, to the process for considering whether an authorisation is justified, a CHIS should not be authorised if it does not comply with the requirements of **Section 29(5)** of RIPA.
- 4.5 **Section 29(5)** requires that:
- 4.5.1 There will at all times be a person holding an office, rank, or position with the relevant investigating authority who will have **day to day responsibility for dealing with the source** on behalf of that authority, and **for the source's security and welfare**;
- 4.5.2 There will at all times be another person holding an office, rank or position with the relevant investigating authority who will have **general oversight** of the use made of the source;
- 4.5.3 There will at all times be another person holding an office, rank or position with the relevant investigating authority who will have responsibility for **maintaining a record** of the use made of the source;

- 4.5.4 The records relating to the source that are maintained by the relevant investigating authority will always contain particulars of all such matters (if any) as may be specified for the purposes of this paragraph in regulations made by the Secretary of State (**see below**); and
- 4.5.5 The records maintained by the relevant investigating authority that disclose the identity of the source will not be available to persons except to the extent that there is a need for access to them to be made available to those persons.
- 4.6 With regard to paragraph 4.5.4 above the regulations are set out in the Regulation of Investigatory Powers (Source Records) Regulations 2000. These regulations can be found at www.security.homeoffice.gov.uk/ripa/legislation/ripa-statutory-instruments, and **must** be referred to by Officers.

Vulnerable Individuals

- 4.7 A vulnerable individual is a person who is or may be in need of community care services by reason of mental or other disability, age, illness and who is or may be unable to take care of himself, or unable to protect himself against significant harm or exploitation.

Vulnerable individuals should only be authorised to act as a source in the most exceptional circumstances, and the Chief Executive may only give such an authorisation.

Juvenile sources

- 4.8 There are also special safeguards with regard to the use or conduct of juvenile sources (under 18 years).
- 4.9 A source under 16 years of age **must not** be authorised to give information against his parents or any person who has parental responsibility for him.

- 4.10 There are also further requirements within the Regulation of Investigatory Powers (Juveniles) Order 2000 (SI No. 2793), and in other cases authorisations should not be granted unless these provisions are complied with. A copy of this can be also be found at www.security.homeoffice.gov.uk/ripa/legislation/ripa-statutory-instruments, and must be referred to by all Officers
- 4.11 The duration of such an authorisation is **one month** instead of 12 months.
- 4.12 Notwithstanding the above, the Council has not to date utilised these powers and considers that it is rare that they would be used in the future. As such **only** the **Chief Executive** may authorise any application for the use of CHIS and Officers should contact the legal department before making any application.

5. AUTHORISATION PROCESS

- 5.1 Directed surveillance and/or the use of CHIS shall be lawful for all purposes, if the conduct is properly and legitimately authorised and an Officer's conduct is in accordance with the authorisation.
- 5.2 Therefore all officers must obtain an authorisation before undertaking either directed surveillance and/or the use of CHIS, to ensure that it is lawful. A flowchart setting out the steps to be taken is attached at **Appendix 3**
- 5.3 Authorisations will only be given where:
- 5.3.1 The directed surveillance and/or the use of CHIS is necessary in the interests of preventing or detecting crime or disorder; and
- 5.3.2 It is proportionate to the objective which it is intended to achieve,
- 5.4 The Authorising Officer **must** satisfy himself of this before granting the authorisation.
- 5.5 In particular the Authorising Officer must consider whether the activity could be carried out in an overt or less intrusive manner. If it could then this should be the preferred method.

Collateral Intrusion

- 5.6 Before granting an authorisation an Authorising Officer **must** take into account the risk of intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation.
- 5.7 Wherever practicable measures should also be taken, to avoid or minimise unnecessary intrusion into the lives of those people.
- 5.8 The applicant should also have included an assessment of the risk of collateral intrusion in the application form and the Authorising Officer should consider this in making their decision.

Confidential Information

- 5.9 RIPA does not provide any special protection for “confidential information”.
- 5.10 Notwithstanding this, special care should be taken where the subject of the investigation or operation might reasonably expect a high degree of privacy or where confidential information may be involved.
- 5.11 Confidential information includes, matters subject to legal privilege, confidential personal information or confidential journalistic material.
- 5.12 For example special care should be taken with **surveillance** where it would be possible to acquire knowledge of discussions between a minister of religion and an individual relating to the latter’s spiritual welfare, or where matters of medical or journalistic confidentiality or legal privilege may be involved.
- 5.13 In cases where through the use of surveillance and/or CHIS, confidential information may be obtained, **only** the Chief Executive, or in his absence, a Director, may give authorisation.

Application Forms

- 5.14 All applications and authorisations **must** be made/granted on the relevant Home Office forms. Electronic copies of these forms are available on the Home Office website at www.security.homeoffice.gov.uk/ripa/publication-search/ripa-forms. If an officer has difficulty obtaining the correct form they should contact the Legal Department.

Urgent applications

- 5.15 In urgent cases an Authorising Officer may give authorisation **orally**. However, as soon as practicable thereafter, the applicant should produce a statement recording in writing that the Authorising Officer had expressly authorised the action.
- 5.16 It would not normally be considered to be urgent unless in the opinion of the Authorising Officer, the time which it would take for a written authorisation to be granted, would be likely to endanger life or jeopardise the investigation or operation for which the authorisation was being given.

Content of Application

- 5.17 The applicant must ensure that each application contains a **unique reference number** (“URN”). This must be inserted into the box at the top right hand corner of the relevant form. This should include a reference to their department, the year, and the number of the application during that year. Authorising Officers should not authorise any application, which does not contain this.
- 5.18 Applicants must also ensure that they complete all boxes within the forms. If done properly this will ensure compliance with RIPA’s requirements. However, to ensure that there is full compliance the details of RIPA’s requirements are set out below.

Application for Directed Surveillance

- 5.19 A written application for directed surveillance should include:

- 5.20.1 A description of the conduct to be authorised and the purpose of the investigation or operation.
- 5.20.2 the reason(s) why the authorisation is necessary and the ground on which it is considered necessary pursuant to Section 28(3). As set above the only ground on which the Council can now rely is “*for the purpose of preventing or detecting crime or disorder*”.
- 5.20.3 the reasons why the surveillance is considered proportionate to what it seeks to achieve;
- 5.20.4 the nature of the surveillance;
- 5.20.5 the identities, where known of those to be the subject of the surveillance;
- 5.20.6 an explanation of the information, which it is desired to obtain as a result of the surveillance;
- 5.20.7 the details of any collateral intrusion and why the intrusion is justified;
- 5.20.8 the details of any confidential information that is likely to be obtained as a consequence of the surveillance;
- 5.20.9 the level of authority required (or recommended where that is different) for the surveillance; and
- 5.20.10 a subsequent record of whether authorisation was given or refused, by whom, and the date and time.

Application for the use of CHIS

5.20 An application for the use or conduct of a source should include:

- 5.21.1 the reasons why the authorisation is necessary, and the grounds listed in section 29(3). Again, the only ground upon which the Council can rely is “*for the purpose of preventing or detecting crime or disorder*”;

- 5.21.2 the reasons why the authorisation is considered proportionate to what it seeks to achieve;
- 5.21.3 the purpose for which the source will be tasked or deployed;
- 5.21.4 where a specific investigation or operation is involved, the nature of that investigation or operation;
- 5.21.5 the nature of what the source will be tasked to do;
- 5.21.6 the level of authority required (or recommended where different);
- 5.21.7 the details of any potential collateral intrusion and why the intrusion is justified;
- 5.21.8 the details of any confidential information that is likely to be obtained as a consequence of the authorisation; and
- 5.21.9 a subsequent record of whether authority was given or refused, by whom and the time and date.

Duration Of Authorisations

Directed Surveillance

- 5.21 A written authorisation granted by an Authorising Officer will cease to have effect (unless renewed) at the end of a period of **three months** beginning with the day on which it took effect.
- 5.22 Urgent oral authorisations or written authorisations granted by a person who is only able to grant authorisations in urgent cases, will unless renewed cease to have effect after **seventy two hours**, beginning with the time when the authorisation was granted or renewed.

CHIS

- 5.23 A written authorisation will unless renewed cease to have effect at the end of a period of **twelve months** beginning with the day on which it took effect.
- 5.24 Urgent oral authorisations or written authorisations granted by a person who is only able to grant authorisations in urgent cases, will unless renewed cease to have effect after **seventy two hours**, beginning with the time when the authorisation was granted or renewed.

Reviews

- 5.25 Regular reviews should be carried out to assess the need for the authorisation to continue. Reviews should take place frequently if the source of surveillance provides confidential information or involves collateral intrusion.
- 5.26 The Authorising Officer must decide how frequently and when the reviews should take place. This should be as frequently as is considered necessary and practicable.
- 5.27 The Authorising Officer must use the appropriate form to complete the review, and the results of the review should be recorded in the central record of authorisations.

Renewals

- 5.28 If at any time before an authorisation ceases to have effect an Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given he may renew it for:
- 5.29.1 3 months (Directed Surveillance)
- 5.29.2 72 hours (Urgent Directed Surveillance)
- 5.29.3 12 months CHIS
- 5.29.4 72 hours (Urgent CHIS)

There should however be no circumstances in which an authorisation is subject to an urgent renewal.

- 5.29 The renewal will take effect at the time at which, or the day on which the authorisation would have ceased to have effect but for the renewal.
- 5.30 An application for renewal of an authorisation should not be made until shortly before the authorisation is due to cease to have effect.
- 5.31 Any person who would be entitled to grant a new authorisation is able to renew an authorisation.
- 5.32 An authorisation can be renewed more than once as long as it continues to meet the criteria for authorisation.
- 5.33 The application for renewal must include:

Directed Surveillance

- Whether this is the first renewal of an authorisation on which the authorisation has been renewed previously;
- Any significant changes to the information included in the original application;
- The reasons why it is necessary to continue with the directed surveillance;
- The content and value to the investigation or operation of the information so far obtained by the surveillance; and
- The results of regular reviews of the investigation or operation.

CHIS

- Whether this is the first renewal or every occasion on which the authorisation has been renewed previously;

- Any significant changes to the information in the original application;
- The reasons why it is necessary to continue to use the source;
- The use made of the source in the period since the grant or, as the case may be, latest renewal of the authorisation;
- The tasks given to the source during that period and the information obtained from the conduct or use of the source; and
- The results of regular reviews of the use of the source.

Cancellations

- 5.34 The Authorising Officer who granted or last renewed the authorisation **must** cancel it if he is satisfied that it no longer meets the criteria under which it was first granted.
- 5.35 The Authorising Officer must complete the relevant form to do so and pass the information to the legal department to be included on the central register.
- 5.36 In addition, when the decision is taken to stop surveillance, an immediate instruction must be given to those involved to stop all surveillance of the subject(s). The date and time when such an instruction was given should be recorded in the central register and on the cancellation form.
- 5.37 There is no requirement for any further details to be recorded when cancelling a directed surveillance authorisation but effective practice suggests that a record should be retained detailing the product obtained from the surveillance and whether or not objectives were achieved.

6. AUTHORISING OFFICERS

- 6.1 The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 SI 2010 No. 521 provides that the Director, Head of Service, Service Managers, or equivalent officer may give authorisations for directed surveillance and CHIS under RIPA.

6.2 In light of the infrequent use made of RIPA and CHIS and based on advice given by the OSC, Ribble Valley Borough Council has resolved that it will only have four Authorising Officers who will be the Chief Executive, the Director of Community Services, the Director of Development, and the Director of Resources. These Officers will receive regular training to enable them to deal properly with all authorisations.

6.3 Moreover, applicants must submit their application to an Authorising Officer, from outside of their department.

7. RECORDS AND CENTRAL REGISTER

7.1 The Council's Legal Department will maintain a central record of all authorisations. This will be updated whenever an authorisation is granted, renewed, or cancelled.

7.2 The record will be retained for a period of at least **three years** from the end of the authorisation and will contain the following information:

7.2.1 the type of authorisation;

7.2.2 the date the authorisation was given;

7.2.3 Name and rank/grade of the authorising officer, the unique reference number (URN) of the investigation or operation;

7.2.4 the title of the investigation or operation, including a brief description and names of subjects, if known, whether the urgency provisions were used, and if so why;

7.2.5 if the authorisation is renewed, when it was renewed and who authorised the renewal, including the name and rank/grade of the Authorising Officer;

7.2.6 whether the investigation or operation is likely to result in obtaining confidential information as defined in this code of practice;

- 7.2.7 the date the authorisation was cancelled; and
 - 7.2.8 whether there has been a “self authorisation”.
- 7.3 In respect of each step in the procedure Authorising Officers **must** retain all original documentation **and must** give to the legal department a copy of the following information:
- 7.3.1 the application and authorisation together with any supplementary documentation and notification of the approval given by the authorising officer;
 - 7.3.2 a record of the period over which the surveillance has taken place;
 - 7.3.3 the frequency of reviews prescribed by the authorising officer;
 - 7.3.4 a record of the result of each review of the authorisation;
 - 7.3.5 the renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested; and
 - 7.3.6 the date and time when the Authorising Officer gave any instruction.
- 7.4 For the avoidance of doubt the information set out above must be passed to the legal department contemporaneously to ensure that the Council’s central record can be maintained and that the Council can therefore ensure that all authorisations are reviewed and cancelled in accordance with RIPA.

8. **COMPLAINTS**

- 8.1 Any person who reasonably believes that they have been adversely affected by surveillance activity and/or the use of a CHIS, by or on behalf of the Council may complain to the Legal Services Manager (as Monitoring Officer) who will investigate the complaint.
- 8.2 They may also complain to:

The Investigatory Powers Tribunal

PO Box 33220

London SW1H 92Q

9. APPENDICES

1.	Code of Practice on Covert Surveillance - www.security.homeoffice.gov.uk/ripa/publication-search/ripa-cop/
2.	Code of Practice on Covert Human Intelligence Sources - www.security.homeoffice.gov.uk/ripa/publication-search/ripa-cop/
3.	Directed Surveillance Authorisation Flow Chart

APPENDIX 3 – DIRECTED SURVEILLANCE

Before making an application for directed surveillance, all applicants **must**:

- ❖ read the RVBC RIPA corporate policy and satisfy themselves that they understand its requirements before proceeding;
- ❖ decide whether the directed surveillance is in accordance with the law
- ❖ decide whether directed is necessary pursuant to S.28(3)(b) i.e.: “for the purpose of preventing or detected crime or disorder;

It will not be necessary if a less intrusive method is available and practicable.

- ❖ decide whether directed surveillance is proportionate to the aims which it seeks to achieve;
- ❖ consider whether there will be collateral intrusion or whether confidential information will be obtained.

If in doubt please contact the legal department for advice!!

If the directed surveillance is necessary and proportional complete the relevant form in full ensuring that it has a URN

Seek oral authorisation if the matter is urgent, and record in writing that oral authorisation was given by the authorising officer as soon as practicable thereafter

An Authority Officer who receives an application must:

- ❖ decide whether the directed surveillance would be in accordance with the law;
- ❖ decide whether the directed surveillance would be necessary pursuant to S.28(3)(b) ie: “for the purpose of preventing or detected crime or disorder”;
- ❖ Consider whether all alternative less intrusive methods which are practicable been considered/exhausted.
- ❖ If appropriate, to authorise and complete the authorisation and set an appropriate review date.

- ❖ A review must take place on the date set by the Authorising Officer.
- ❖ The applicant must submit a review form to the Authorising Officer in advance of this.

If at any time the directed surveillance is no longer necessary/proportionate for reasons for which it was granted the applicant should submit a cancellation form to the Authorising Officer and immediately inform those conducting the surveillance to stop. Details of the instruction should be recorded.

If the directed surveillance remains necessary and proportionate the applicant should apply for and the Authorising Officer should grant a renewal using the appropriate form before the authorisation ceases to have effect.

If the directed surveillance is no longer necessary or proportionate the Authorising Officer should cancel it.

Authorising Officers should retain the originals of all forms/records and must forward a copy to the legal department so that they can be added to the central record.

