

RIBBLE VALLEY BOROUGH COUNCIL

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date: 20 March 2012

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Dear Councillor

The next meeting of the **POLICY AND FINANCE COMMITTEE** is at **6.30pm on TUESDAY, 27 MARCH 2012** 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. Minutes of the meetings held on 24 January 2012 and 7 February 2012 – 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. Draft Cycle of Committee Meetings – report of Chief Executive – copy enclosed.
- ✓ 8. Members' Allowance Scheme 2012/13 – report of Director of Resources – copy enclosed.
- ✓ 9. Requests for Grant Aid – report of Chief Executive – copy enclosed.

- ✓ 10. Allocation for Voluntary Sector Grants 2012/13 – report of Director of Resources – copy enclosed.
- ✓ 11. Longridge Station Buildings – Grant – report of Chief Executive – copy enclosed.
- ✓ 12. Changes to Governance Arrangements in Consequence of The Localism Act – report of Head of Legal and Democratic Services – copy enclosed.
- ✓ 13. Localism Act – Standards – report of Head of Legal and Democratic Services – copy enclosed.
- ✓ 14. Ribble Valley Economic Strategy – Review – report of Chief Executive – copy enclosed.
- ✓ 15. Safeguarding Policy – report of Director of Community Services – copy enclosed.
- ✓ 16. Treasury Management Strategy – report of Director of Resources – copy enclosed.
- ✓ 17. Treasury Management Policies and Practices 2012 – report of Director of Resources – copy enclosed.
- ✓ 18. Discretionary Discounts for Business Rates and Council Tax – report of Director of Resources – copy enclosed.
- ✓ 19. Council Tax and NNDR Write-offs – report of Director of Resources – copy enclosed.
- ✓ 20. References from Committees:
 - (a) Planning Committee – Core Strategy Costs – report of Director of Resources – copy enclosed.

DISCUSSION ITEM

- 21. Medium Term Financial Strategy – this report has been previously circulated to Members.

INFORMATION ITEMS

- ✓ 22. Revenues and Benefits General Report – report of Director of Resources – copy enclosed.
- ✓ 23. Capital Programme 2012/13 – report of Director of Resources – copy enclosed.
- ✓ 24. Budget Working Group Minutes – 19 December 2011 – copy enclosed.
- ✓ 25. Portas Pilots – Clitheroe Town Centre – report of Chief Executive – copy enclosed.

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

- ✓ 26. Council Tax and NNDR Write Offs – report of Director of Resources – copy enclosed.
- ✓ 27. Sundry Debtor Write Offs – report of Director of Resources – copy enclosed.
- ✓ 28. New Platform Gallery and Information Centre Business Plan – report of Director of Community Services – copy enclosed.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 27 MARCH 2012
title: DRAFT CYCLE OF COMMITTEE MEETINGS
submitted by: CHIEF EXECUTIVE
principal author: OLWEN HEAP

1 PURPOSE

1.1 To request Committee's consideration of the proposed meeting cycle for Committees for the municipal year 2012/13.

1.2 Relevance to the Council's ambitions and priorities.

One of the Council's stated aims is to be a well run Council. Meetings of the Council and its committees are arranged to be as accessible as possible in order to enhance the transparency of the Council's work.

2 BACKGROUND

2.1 The meeting cycle is drawn up at this time of year for the forthcoming municipal year.

2.2 It is subject to final approval at the Annual meeting on 15 May 2012.

2.3 Some meeting dates have to fit into other timetables, eg approval of the Statement of Accounts, setting of the Council Tax.

3 ISSUES

3.1 The draft meeting cycle at Appendix A is based on the cycle for 2011/12 (dates around Easter have moved).

3.2 Consideration has been given to various issues, which have resulted in several dates being altered, namely

- Full Council – now 17 July
- Standards – now 6 June
- Personnel – now 21 November
- Health and Housing – now 29 November to accommodate the Police Commissioner Elections
- The 5th Cycle has been put back a week to give officers time after returning in the New Year to produce the necessary reports.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications

- Resources – the estimated costs of administering the Committee arrangements is included in the approved budget for 2012/13.

- Technical, Environmental and Legal – None arising as a direct result of this report.
- Political – None arising as a direct result of this report.
- Reputation – None arising as a direct result of this report.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Consider the draft meeting cycle at Appendix A for ratification at the Annual Meeting on 15 May 2012.

CHIEF EXECUTIVE

For further information please ask for Olwen Heap, extension 4408

DRAFT**RIBBLE VALLEY BOROUGH COUNCIL
MEETINGS CYCLE 2012/2013****Effective from****15 May 2012 – 14 May 2013**

MEETINGS	Day	TIME	1ST CYCLE 2012	2ND CYCLE 2012	3RD CYCLE 2012	4TH CYCLE 2012	5TH CYCLE 2013	6TH CYCLE 2013
Community Services	Tues	6.30pm	22 May	24 July	11 Sept	6 Nov	15 Jan	12 March
Planning and Development	Thurs	6.30pm	24 May	19 July	13 Sept	8 Nov	17 Jan	14 March
Personnel	Wed	6.30pm	30 May		12 Sept	21 Nov	23 Jan	20 March
Health & Housing	Thurs	6.30pm	31 May	2 August	20 Sept	29 Nov	24 Jan	21 March
Policy & Finance	Tues	6.30pm	12 June	7 August	25 Sept	20 Nov	29 Jan/12 Feb	26 March
Parish Liaison	Thurs	6.30pm	14 June		27 Sept	22 Nov	31 Jan	28 March
Licensing	Tues	6.30pm	19 June		4 Sept	27 Nov		19 March
Standards Committee	Wed	6.30pm	6 June		19 Sept		6 Feb	
Planning & Development	Thurs	6.30pm	21 June	16 Aug	11 Oct	6 Dec	14 Feb	11 April
Overview & Scrutiny	Tues	6.30pm	26 June		18 Sept	4 Dec	19 Feb	9 April
Accounts & Audit	Wed	6.30pm	27 June	22 Aug		28 Nov		27 March
Full Council	Tues	6.30pm	17 July	28 Aug	23 Oct	18 Dec	5 Mar	23 April

2012

Offices Closed

Spring Bank : 4 June 2012
 Diamond Jubilee : 5 June 2012
 August Bank : 27 August 2012
 Christmas : 24 -28 December 2012

Annual Council : 15 May 2012

2013

Offices Closed

New Year : 1 January 2013
 Good Friday : 29 March 2013
 Easter Monday : 1 April 2013
 May Day : 6 May 2013

Annual Council : 14 May 2013

Subject to final approval at the Annual Meeting on 15 May 2012.

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 8

meeting date: 27 MARCH 2012
title: MEMBERS' ALLOWANCES 2012/13
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1 PURPOSE

1.1 To agree the Council's scheme of members' allowances for the 2012/13 financial year.

1.2 Relevance to the Council's ambitions and priorities

- Council's Ambitions – none directly
- Community Objectives – none directly
- Corporate Priorities – none directly
- Other considerations – the Council has adopted a scheme which provides for annual updating of allowances.

2 BACKGROUND

2.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to establish a scheme of members' allowances in accordance with these regulations.

2.2 The Council is required to agree and publicise its members' allowance scheme each year and have an independent review at least every 4 years. You will recall a panel was established in November 2010 in order to complete the review for the 2011/12 municipal year. The Council, in revising the existing scheme, were required to have regard to the recommendations made by the panel.

2.3 Ultimately, following consideration of the independent panel's report, final recommendations on the new scheme were approved by Full Council in July 2011.

3 REVIEW OF MEMBERS' ALLOWANCES

3.1 The Independent Panel recommended that once agreed the Basic Allowance, Co-optees Allowance and Dependents Carers Allowance be increased annually in line with the increase in the National Minimum wage each October and to be introduced from the following April.

3.2 Full Council agreed to defer the increase in the basic allowance recommended by the panel from £2,685 to £2,775 until 1 April 2012. This allowance increased by a further 2.5% based on the increase in the minimum wage rate in October 2011. The new basic allowance is therefore £2,844.

3.3 The new allowances are set out below:

Basic Allowance	£2,844
Special Responsibility Allowances	
Leader of the Council	£14,222
Deputy Leader of the Council	£8,533
Leader of the Opposition	£8,533
Committee Chairmen	£5,689
Planning & Development Committee Chairman	£7,111
Service Committee Vice Chairmen	£2,844
Co-optee Allowances:	
Chairman of Standards Committee	£948
Independent Members of the Standards Cttee	£316
Dependent Carers Allowance	£6.08 per hour

3.4 Attached at Annex 1 is the current members allowance scheme. Travel and Subsistence Allowances will be updated following any increases in the National Joint Council Travel and Subsistence Rates in April 2012.

4 RISK ASSESSMENT

- Financial – The budget for members allowances for 2012/13 totals £206,950 based on the cost of the current scheme
- Technical, Legal and Environmental – The current scheme has been agreed following consideration of the Local Authorities (Members' Allowances) (England) Regulations 2003
- Reputation – The setting of members' allowances is a sensitive issue for all councils
- Political – None.

5 RECOMMENDED THAT COMMITTEE

5.1 Agree the scheme of Members' Allowances for 2012/13.

DIRECTOR OF RESOURCES

PF21-12/JP/AC
16 March 2012



***RIBBLE VALLEY
BOROUGH
COUNCIL***

**MEMBERS ALLOWANCE SCHEME
2012/13**
(updated March 2012)

Key Officer Contacts for Members' Allowances Queries

Name	Job Title	Telephone Number	Email address
Karen Blackburn	Systems and Payments Manager	01200 414439	karen.blackburn@ribblevalley.gov.uk
Lawson Oddie	Head of Financial Services	01200 414541	lawson.oddie@ribblevalley.gov.uk
Jane Pearson	Director of Resources	01200 414430	jane.pearson@ribblevalley.gov.uk

RIBBLE VALLEY BOROUGH COUNCIL MEMBERS' ALLOWANCE SCHEME

Ribble Valley Borough Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003, hereby makes the following Scheme:

1. This Scheme shall have effect from 6 May 2011 for a period of 4 years.
2. In this Scheme

"Councillor" means an elected member of Ribble Valley Borough Council.

"Year" means the twelve months commencing 1st April.
3. In this Scheme, the total allowances shall consist of Basic Allowances and Special Responsibility Allowances.
 - 3.1 These total allowances shall be updated annually in line with increases in the national minimum wage as described in more detail in Schedule 'A'.
4. Basic Allowance
 - 4.1 Subject to paragraph 7 below, an equal Basic Allowance shall be paid to every councillor. The amount of Basic Allowance is detailed in paragraph 1 of Schedule 'A' of this Scheme.
 - 4.2 The Basic Allowance is intended to recognise all time devoted by councillors to their general work including such inevitable calls on their time as meetings with constituents, political group meetings and other incidental costs for which no other provision is made.
5. Special Responsibility Allowance
 - 5.1 Subject to paragraph 7 below, each councillor who holds a special responsibility as defined within the Regulations and specified within this Scheme, will receive a Special Responsibility Allowance as detailed in paragraph 2 of Schedule 'A' of this Scheme.
6. A councillor may elect to forego any part of his/her entitlement to an allowance under this Scheme. Such election shall be in the form of a written notice delivered to the Director of Resources.
7. The provisions of this paragraph shall regulate the entitlements of a councillor to allowances where, in the course of a year:
 - (a) The Scheme is amended.
 - (b) A person becomes, or ceases to be, a councillor.
 - (c) A councillor accepts or relinquishes a special responsibility in respect of which a Special Responsibility Allowance is payable.
 - (d) A councillor is suspended or partially suspended from his/her responsibilities or duties as a Member of the Borough Council.

- 7.1 If, during the year, the Scheme is amended and this results in a change to a councillor's entitlement to Special Responsibility Allowance and/or Basic Allowance, the actual entitlement shall be based on:
- (a) A proportion of the original annual allowance based on the number of days up to the date of amendment plus
 - (b) A proportion of the revised annual allowance based on the number of days from the date of amendment.
- 7.2 When the term of office of a councillor either begins and/or ends during the course of a year, the entitlement to Basic Allowance shall be based on the number of days in office during that year. Similar pro rata entitlements will apply in situations where Basic Allowance is amended under sub-paragraph 7.1 above.
- 7.3 Where, for a part of the year, a councillor has such special responsibilities as specified in this Scheme, the entitlement to Special Responsibility Allowance shall be based on the number of days during that year that the councillor has held such special responsibilities, such entitlement being pro rata to a full year. Similar pro rata entitlement will apply in situations where Special Responsibility Allowances have been amended under sub-paragraph 7.1 above.
- 7.4 Where a councillor is suspended or partially suspended from his/her responsibilities or duties as a member of the Borough Council in accordance with Part III of the Local Government Act 2000 (or Regulations made under that Part), the part of the Basic, Special Responsibility, Travel and Subsistence Allowances payable in respect of the period of suspension may be withheld by the Borough Council.

8. Carers/Dependants Allowance

- 8.1 Subject to paragraphs 8.2 and 8.3, a carers/dependants allowance may be claimed in respect of named children aged 14 or under or in respect of other named dependants where there is medical or social evidence that care is required.
- 8.2 Payment of carers/dependants allowance shall:
- (a) Be based on actual receipted expenditure subject to a maximum hourly rate and a maximum annual allowance, as specified in paragraph 3 of Schedule 'A' of this Scheme.
 - (b) Not be made where a councillor already receives a carer's allowance.
 - (c) Not be payable where the expenditure is incurred in favour of a parent or a member of the household.
- 8.3 The carers/dependants allowance may be claimed where the actual expenditure has been incurred in connection with the approved duties that apply to claims for travel and subsistence as detailed in Schedule 'B' of this Scheme.

9. Method of Payment

- 9.1 Payments of Basic Allowance and Special Responsibility allowance shall be made monthly on the 15th day of each month. The monthly amount payable shall be one twelfth of the annual allowance(s) specified in this Scheme and subject to paragraph 7 above.

9.2 Separately, individual claims for carers/dependants allowances, travel and subsistence shall be made on a monthly basis and be submitted to the Director of Resources as soon as possible at the end of each month. (Regulations prescribe that claims **must be submitted within two months at the very latest.**) In particular, it should be noted that claims for allowances covering the period up to 31 March must be submitted to the Director of Resources by the end of May. Failure to submit these year end claims within this time scale could result in non-payment.

9.3 Each claim form shall be certified by the claiming councillor that he/she has not made and will not make any other claim in respect of the matter to which the claim relates otherwise than under this Scheme.

10. Travelling and Subsistence Allowances

10.1 A councillor shall be entitled to receive payment by way of travelling allowance or subsistence allowance at the rate specified in Schedule 'A' and set out in full at Schedule 'B'. These allowances are payable where such expenditure has necessarily been incurred in the performance of an approved duty as defined in Schedule 'B' of this Scheme.

RIBBLE VALLEY BOROUGH COUNCIL
MEMBERS' ALLOWANCES SCHEME
SCHEDULE 'A'

1. Basic Allowance

An annual Basic Allowance is payable to each Councillor as follows:

Period 1/4/2012 – 31/3/2013 £2,844 per annum (pro rata)

2. Special Responsibility Allowance

The following Special Responsibility Allowances shall be payable:

Responsibility	Annual Amount 1/4/2012 – 31/3/2013*
Leader	£14,222.00
Deputy Leader	£8,533.00
Shadow Leader	£8,533.00
Committee Chairman – Planning & Development	£7,111.00
Committee Chairmen	£5,689.00
Committee Vice Chairmen	£2,844.00
Standards Co-optee Independent Chairman	£948.00
Standards Co-optee Members	£316.00

*These allowances **were** uprated in accordance with the increase in the minimum wage rate in October 2011 to take effect from 1 April 2012

2.1 No member to be entitled to more than one special responsibility allowance.

3. Carers/Dependants Allowance

3.1 Payment of a Carers/Dependants Allowance, as provided for in paragraphs 8.1 to 8.3 of this Scheme, shall be based on actual receipted expenditure subject to a maximum hourly rate of £6.08.

4. Travelling and Subsistence Allowances

4.1 The amounts payable by way of Travelling and Subsistence Allowances shall be subject to the rates specified in Schedule 'B' of this Scheme.

5. Scheme Amendments

5.1 The amounts specified in paragraphs 1, 2 and 3 above are subject to an annual uprating on 1 April each year. This uprating shall equate to the percentage increase in the national minimum wage the previous October.

RIBBLE VALLEY BOROUGH COUNCIL

MEMBERS' ALLOWANCES SCHEME

SCHEDULE 'B' – TRAVELLING AND SUBSISTENCE ALLOWANCES

TRAVEL COSTS

(a) Car Mileage

The rate for travel by a councillor in a private vehicle shall not exceed:

cylinder capacity: 2011/12 rates		(to be reviewed wef 1/4/12 in line with NJC Car Allowance Rates)
Not exceeding 999c	46.9p per mile	
1000cc and above	52.2p per mile	

The above rates will be revised in accordance with the rates determined by the National Joint Council for Local Authorities.

For total journeys **exceeding 60 miles** members will normally be expected to claim public transport rates regardless of the method of travel used. Exceptions to this will be journeys to Manchester or within Lancashire.

(b) Public Transport

Where public transport is used, costs will be reimbursed on the production of the relevant receipts

(c) Car Sharing

Where a councillor brings another councillor or councillors to approved duties he/she shall be entitled to a passenger allowance of 5p per mile for each passenger.

(d) Bicycles

When a councillor uses a bicycle the rate shall not exceed 20p per mile. This rate shall be revised in accordance with the maximum allowance for income tax purposes as determined by HMRC.

(e) Other Travel Expenses

The actual and receipted expenditure incurred on tolls, ferries or parking fees, may be claimed.

SUBSISTENCE

Overnight Accommodation

Where the nature of the duties being undertaken result in a councillor being absent from his/her usual place of residence overnight accommodation will be booked and paid directly by the borough council.

In exceptional circumstances where it is not possible for the borough council to make a direct booking on behalf of a councillor, the actual receipted cost of accommodation including breakfast will be reimbursed to the councillor. Such reimbursement will be subject to a maximum allowance per night as follows:

Area	
London	£140.14
Elsewhere in the UK	£119.09

These maximum allowances are reviewed each April using the retail price index.

DAY SUBSISTENCE

For an absence of more than 4 hours from the normal place of residence, councillors may claim reimbursement in respect of actual receipted expenditure incurred on subsistence subject to the following maximum allowances:

Period	
For a period greater than four hours but less than eight hours	£21.00
For a period greater than eight hours but less than twelve hours	£35.02
For a period greater than twelve hours	£49.04

These maximum allowances are reviewed each April using the retail price index.

WHEN TRAVEL AND SUBSISTENCE CAN BE CLAIMED

Appropriate travel and subsistence allowances may be claimed in accordance with the above details where such travelling and/or subsistence has been undertaken in connection **with one or more of the following duties:**

- (a) The attendance at a meeting of the Authority or of any Committee or Sub-Committee of the Authority, or of any body to which the Authority makes appointments or nominations, or of any Committee or Sub-Committee of such a body.
- (b) The attendance at any other meeting, the holding of which is authorised by the Authority or a Committee or Sub-Committee of the Authority or a joint Committee of the Authority and one or more local authorities within the meaning of section 270(1) of the Local Government Act 1972 or a Sub-Committee or such a joint committee provided that:
 - (i) where the Authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
 - (ii) if the Authority is not so divided, it is a meeting to which at least two members of the Authority have been invited.
- (c) The attendance at a meeting of any association of authorities of which the Authority is a member.
- (d) The performance of any duty in pursuance of any Standing Order made under section 135 of the Local Government Act 1972 requiring a Member or Members to be present while tender documents are opened.

- (e) The performance of any duty in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
- (h) The carrying out of any other duty approved by the Authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Authority or any of its Committees or Sub-Committees.
- (i) The attendance at any working group formed by a Committee of the Council.
- (j) Site visits agreed by a Committee or in the case of members of Planning and Development Committee the inspection of any sites relating to planning applications submitted to that Committee for consideration.

Examples of instances when Councillors can claim travel and subsistence

Claimable	Not Claimable
Committee meetings	Political Group meetings
Full Council meetings	Constituency work/visits
Sub Committee meetings	Adhoc visits to council offices
Authorised Working Group meetings eg Budget Working Group	Car Parking fees for visits to/meetings at council offices
Chairman's briefings	
Political Group meetings with CMT	
Approved site visits	
Approved training	
Approved attendance at conferences	
Attendance at outside bodies as a nominated representative of the council	

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No.

meeting date: 27 MARCH 2012
 title: REQUESTS FOR GRANT AID
 submitted by: CHIEF EXECUTIVE
 principal author: MARSHAL SCOTT

1 PURPOSE

- 1.1 To consider two requests we have received for financial support.

2 BACKGROUND

- 2.1 The year 2012 looks set to be a year of celebration with a number of events being held both locally and nationally to celebrate the Queen's Diamond Jubilee, the Olympics, the 400th anniversary of the Pendle Witches Trials and a host of other events.

3 REQUESTS FOR GRANT AID

- 3.1 We have received two requests for grant aid, these are set out below:-

3.2 Queen's Diamond Jubilee – Lancashire County Council £2,000

To celebrate the Queen's Diamond Jubilee the County Council and the Lieutenancy will be staging a number of events including a Lancashire Service of Thanksgiving to be held in Blackburn Cathedral on Sunday 13 May 2012.

They have requested a sum of £2,000 from each district as a contribution towards the cost of staging these events.

3.3 Clitheroe Torchlight Committee - £2,000

On the weekend of 24-25 August 2012 a number of events will be taking place in Clitheroe. The centrepiece of these celebrations will be the Torchlight Procession and firework display. The estimated cost of staging the Torchlight is in the region of £20,000 and whilst Clitheroe Town Council have agreed to fund the majority of these costs, the Torchlight Committee have requested a similar level of financial support from this Council as given previously. The Council gave a grant of £2,000 towards the costs.

4 RISK ASSESSMENT

- 4.1 Resources: the cost of these grants could be met from savings in the current years concurrent functions grant budget.

Technical, Environmental & Legal: N/A

Political: N/A

Reputation: N/A

5 RECOMMENDED THAT COMMITTEE

- 5.1 Agree to the requests for grand aid from Lancashire County and the Clitheroe Torchlight Committee.

CHIEF EXECUTIVE

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 10

meeting date: 27 MARCH 2012
title: VOLUNTARY GRANT APPLICATIONS 2012/13
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To consider the allocation of voluntary sector grants as proposed by a sub-group of this committee, in accordance with the approved voluntary sector grant scheme.

2 BACKGROUND

- 2.1 The Council has a number of grant schemes in operation including specific ones such as recreation grants, culture grants and sports grants to more general ones administered mainly by Policy and Finance Committee.

- 2.2 In accordance with the approved voluntary sector grant scheme a sub-group of this Committee considers the applications received and recommends the allocation of funds to voluntary organisations to Committee.

- 2.3 In September 2011 the Department for Communities and Local Government issued statutory guidance on how Authorities fulfil their best value duty. There is particular reference under this guidance to the community and voluntary sector, particularly:

- ❖ To be sensitive to the benefits and needs of voluntary and community sector organisations of all sizes and small businesses.
- ❖ Seek to avoid passing on disproportionate reductions, by not passing on larger reductions to the voluntary and community sector and small businesses as a whole, than they take on themselves and in particular:
 - (i) An authority intending to reduce or end funding or other support to a voluntary and community organisation or small business should give at least three months' notice of the actual reduction to both the organisation involved and the public/service users, where the organisation might expect the funding to be continued
 - (ii) An authority should actively engage the organisation and service users as early as possible before making a decision on the future of the service, assets used to provide this service and the wider impact on the local community.
 - (iii) Authorities should make provision for the organisation, service users, and wider community to put forward options on how to reshape the service or project and the authority should assist this by making available all appropriate information, in line with the government's transparency agenda.

3 APPLICATION PROCESS

- 3.1 In November 2011, current recipients and any other voluntary group who had indicated an interest in a voluntary grant were sent an application form, to be returned by 31 December 2011.
- 3.2 Applicants must clearly demonstrate that the purpose of the grant sought is to provide services or facilities that will meet the needs of communities in the Ribble Valley or directly benefit the residents of the Ribble Valley. The scheme will not normally fund the following:
- ❖ Capital projects on which work has already started or in aid of expenditure already committed or paid.
 - ❖ Commercial organisations / businesses
 - ❖ Any activity designed to promote political party politics or influence government policies
 - ❖ Applications from the County Council or other government agencies
 - ❖ Applications from religious organisations unless there is a clear broad community benefit.
 - ❖ Schemes that can be funded by the Councils' other grant aid schemes.
- 3.3 Applicants can only be accepted from parish / town councils and properly constituted organisations operating on a non-profit making basis. A valid constitution or memorandum of articles or association, which clearly indicates the voluntary or charitable status of the organisation, should accompany all applications.
- 3.4 Applications for grants over £10,000 are required to supply a 3-year financial plan and for grants over £1,000 a copy of the organisations' latest audited accounts. Capital projects are limited to 50% of the approved costs to a maximum of £5000.
- 3.5 On 12 March 2012 Councillors M Ranson, D Taylor, R Sherras and A Knox met to consider the applications received, mindful of the best value statutory guidance. Councillor D Taylor replaced Councillor S Hore on the sub-group and declared an interest in the Home-Start application.

4 ISSUES

- 4.1 The Grant Pot available for 2012/13 is £96,670, which is a 2.5% increase on the previous year's budget.
- 4.2 The Council received 15 applications totalling over £134,100. The sub group considered each application in detail. 11 of the applications were from previous applicants, receiving funding in the past year, 1 application was received from an organisation that had been previously refused funding, and there were 3 new applicants.
- 4.3 After careful consideration of all grant applications received, the sub group recommends the allocation of grants as shown at annex 1. It recommends that
- ❖ Of the 11 previous applicants, 2 have had their funding removed, 1 reduced to its 2009/10 level and the remaining 8 have their funding maintained at 2011/12 levels or slightly increased.

- ❖ The application from the organisation previously refused, be again refused.
- ❖ Of the 3 new applicants, no funding to be given to 2 of the applicants, with the other being deferred.

4.4 A balance of £8,720 has been left in the grant pot, which can be utilised should any grant be awarded to the deferred application, Little Green Bus, in the future.

4 RECOMMENDATION

4.1 Approve the allocation of grants as proposed by the voluntary grant sub-group as set out in Annex 1.

SENIOR ACCOUNTANT

PF24-12/TH/AC
12 MARCH 2012

ANNEX 1

POLICY AND FINANCE COMMITTEE

ALLOCATION OF VOLUNTARY ORGANISATION GRANTS 2012/13

	2010/11	2011/12	2012/13		Purpose of grant	Notes
	Grant Approved £	Grant Approved £	Grant Requested £	Grant Recommended £		
Goosnargh & Longridge Agricultural Society	250	250	250	250	To support the annual agricultural show	
Hodder Valley Agricultural & Horticultural Society	250	250	250	250	To support the annual agricultural show	
Chipping Agricultural Society	250	250	250	250	To support the annual agricultural show	
Victim Support Lancashire Area Office	1,500	1,500	3,000	0	Provide ongoing training, support and supervision to all volunteers to ensure they are suitably skilled to support victims & witnesses of crime in the Ribble Valley	
Ribble Valley Shop-mobility	5,500	5,000	7,000	5,000	£5,500 to support the running costs of providing mobility scooters and mobility aids to Ribble Valley residents and visitors. £1,500 to purchase a trailer to transport the trampers about the Ribble Valley.	
East Lancashire Women's Refuge Association	6,400	7,000	10,000	2,500	A contribution to the provision of services for children living at the refuge	Major changes have taken place with ELWRA becoming a subsidiary of Calico homes from April 2011, funding reduced to 2009/10 level.

	2010/11	2011/12	2012/13		Purpose of grant	Notes
	Grant Approved £	Grant Approved £	Grant Requested £	Grant Recommended £		
Carers Link Hyndburn & Ribble Valley	3,000	3,000	3,000	3,000	To finance the costs of sustaining, managing and developing the support and services provided for adult and young carers residing in the Ribble Valley	
Home Start Ribble Valley	3,160	3,160	3,200	3,200	To support parents with at least one child under the age of 5, who are facing difficulties, enabling them to cope with the pressures they are facing and reduce the potential for family crisis and breakdown.	Cllr D Taylor declared an interest in this application
Hyndburn & Ribble Valley CVS	0	0	9,916	0	To part fund a project aimed at encouraging volunteering and participation within the community	
Ribble Valley Citizens Advice Bureau	57,000	60,000	63,234	60,000	To cover core running costs of the organisation such as staff salaries, rent, general running costs, information subscriptions and volunteer expenses.	3 Year financial plan attached
Lancashire Best Kept Village Competition	750	750	1,000	0	To support the cost of staging the competition in 2012	
Ribble Valley - Crossroads Care	13,500	13,500	20,000	13,500	To assist the organisation with the high travel cost incurred because of the large rural area covered	Between £15k to £20k requested. 3 Year financial plans attached.

	2010/11	2011/12	2012/13		Purpose of grant	Notes
	Grant Approved £	Grant Approved £	Grant Requested £	Grant Recommended £		
Relate Lancashire	N/a	0	2,000	0	To provide a low or no cost Counselling service to all clients regardless of their ability to pay	
Little Green Bus	N/a	0	5,000	Deferred	To provide a car scheme for transporting mainly elderly residents to medical appointments	Accounts supplied from previous operating name. Little green bus became operational April 2011. Update on how Little green bus is operating before allocating any funding
Little Green Bus	N/a	0	5,000	Deferred	Capital contribution towards newer minibus	
New Beginnings	N/a	0	1,000	0	Contribution towards cost of rent and public liability Insurance	No accounts received initial funding received from small sparks Feb 2011, copies of few bank statements and invoices provided. To be referred to Calderstones
Total Grants	91,560	94,660	134,100	87,950		
Funds available (Original Estimate)	-91,560	-94,310	-96,670	-96,670		
Deficit / (Surplus)	0	350	37,430	-8,720		

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 27TH MARCH 2012
 title: LONGRIDGE STATION GRANT
 submitted by: CHIEF EXECUTIVE
 principal author: CRAIG MATTHEWS

1 PURPOSE

1.1 To receive an update on the Longridge Station Buildings grant from Ribble Valley Borough Council and other funding sources.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions - The matters contained in this report contribute towards the council's ambition of making people's lives safer and healthier.
- Community Objectives – The issues highlighted in this report will contribute to objectives of a sustainable economy and thriving market towns.
- Corporate Priorities – The grant supports the Council's priority to lead the community and to ensure that access to services is available to all.
- Other Considerations - None

2 BACKGROUND

2.1 The newly renovated Longridge Station Buildings project was a key regeneration initiative for the town funded by a number of grant sources, including £89,900 from Ribble Valley Borough Council (RVBC) to Longridge Town Council (LTC) as part of the Longridge & Parish Grants programme originally approved by the Council in 2007. This, along with the Heritage Lottery Fund, was one of the largest investments in the scheme and provided the catalyst for additional funding to be secured to allow the project to go ahead. The table below provides details of the funding sources for the £510,375 scheme: -

Heritage Lottery Fund	£221,600
Ribble Valley Borough Council	£89,900
Biffa Landfill Community Fund	£45,000
Lancashire County Developments Ltd	£42,885
Lancashire Environmental Fund	£25,000
Lancashire County Council extra support for programmes	£25,000
Lancashire County Council Environmental Projects Team	£24,000
Lancashire Small Sites Reclamation Programme	£15,000
LCC Climate Change	£7,500
Longridge Social Enterprise Company	£5,000
Lancashire Rural Futures	£3,990
Longridge Heritage Committee	£2,000
RVBC Conservation Budget	£2,000
Longridge Local History Society	£1,500
TOTAL FUNDING	£510,375

- 2.2 The new building contains a business centre used by small businesses for advice, information technology support and a heritage centre. The exhibition area and meeting rooms are used by local organisations and for public as well as private meetings for local organisations. Also in the building is a successful café operation let to a local business. The centre adopts the railway theme and retains the platform and station architecture.
- 2.3 During 2009, when work commenced on the project, it was reported that work on the main building could not begin until the gas main supplying the building was diverted and the National Grid commenced work on this in November 2009 which then allowed the main contractor to commence refurbishment of the buildings. The project was finally completed late in 2010, and in April 2011 the newly renovated Longridge Station Buildings were officially opened to the public.

3 INFORMATION

- 3.1 As stated earlier in this report, the existing gas main needed relocating in order for the project to progress. The National Grid charged £19,436.78 (inclusive of VAT) to do this work, which was covered within existing project budgets. However later in 2011 LTC received a reimbursement of £12,637.81 (inclusive of VAT) from the National Grid as the actual cost of the work proved to be considerably less than originally charged. Following this, the Clerk for LTC, who took up the position after the restoration project was completed, contacted RVBC along with the other funding bodies seeking confirmation of the terms and conditions under which the original grants were made and whether they would have any claim on the money refunded.
- 3.2 Following this further communications between the Longridge Town Clerk and the Head of Financial Services at RVBC to seek further information on this issue and the overall project costs, with the suggestion that RVBC could claim back a 25% share of the National Grid refund as one of the four principal funders for the project. The RVBC share would amount to £2,630 net of VAT.
- 3.3 However, since then further communications and investigations into this matter have identified that RVBC is the only body taking such a position with the other principle funders (Heritage Lottery, Lancashire County Council and Biffaward) responses being as follows: -
- Biffaward have confirmed that they are not making a claim against the refund and leave it to the discretion of the Town Council as to how the refund is used.
 - Lancashire County Council have stated the following: "Lancashire County Council relinquishes any "claim" on funds held from the restoration of the Old Station Building and will leave the distribution in the hands of the Town Council. I hope other partners follow suit. Please do make the Councillors aware of our desire to see the funds used, (in some way at least) for their original purpose, refurbishment of land and buildings."
 - Heritage Lottery Fund (HLF) have confirmed they have a legal interest in the funds reimbursed by National Grid, but agree that Longridge Town Council should propose an agreement on how they can deploy the funds "on activities that enable people to learn about and participate in the heritage of the Old Station Building".

3.4 Whilst the original offer letter included provision for RVBC to reclaim grant if there were either variations in timescales, finance or descriptions in completing the project, however, at the present time the refund from National Grid remains in Longridge Town Council's reserve and members may wish to consider what action to take in this regard.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – None, funding for the award of grants has come from previous years budgets.
- Technical, Environmental and Legal – None
- Reputation – None
- Political – None
- Other – None

5 RECOMMENDED THAT COMMITTEE

5.1 Consider whether to agree that Longridge Town Council retain the RVBC share of the National Grid refund with the condition that the funds be used towards further maintenance and refurbishment of the Longridge Old Station building and grounds, or on activities that enable people to learn about and participate in it's heritage.

5.2 If members agree that LTC retain the refunded costs as set out in 5.1 that details of the planned expenditure are provided to RVBC before the £2,630 share of the refund is expended.

CHIEF EXECUTIVE

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: THURSDAY, 27 MARCH 2012
 title: CHANGES TO GOVERNANCE ARRANGEMENTS IN CONSEQUENCE OF THE LOCALISM ACT 2011
 submitted by: DIANE RICE – HEAD OF LEGAL AND DEMOCRATIC SERVICES
 principal author: DIANE RICE – HEAD OF LEGAL AND DEMOCRATIC SERVICES

1 PURPOSE

1.1 To inform Committee about a letter which the Chief Executive has received from Paul Rowsell of the Department of Communities and Local Government relating to changes to governance arrangements, in particular the Committee system.

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. Review of the Council's governance and Committee arrangements contributes to this objective.

2 BACKGROUND

2.1 The Chief Executive has received a letter dated 9 March 2012, a copy of which is attached at Appendix 1 which sets out changes made by the Localism Act to the arrangements which Councils must adopt to ensure that decisions are taken in an efficient, transparent and accountable way.

2.2 This Council currently operates alternative arrangements and as can be seen from paragraph 3 of Appendix 1, the Localism Act provides that with effect from 4 May 2012, alternative arrangements will no longer be available to Councils. No action is required by the Council in consequence of the cessation of these arrangements.

3 ISSUES

3.1 The purpose of presenting this letter to Committee is to make Members aware of the flexibility provided by the Localism Act about the way in which the Council conducts its business.

3.2 There are two matters which Committee needs to consider:

1. Overview and Scrutiny Committee: The alternative arrangement system required the Council to have arrangements in place for Overview and Scrutiny. With effect from 4 May 2012, the obligation to have an Overview and Scrutiny Committee has been removed.

The Council's Overview and Scrutiny Committee has 14 Members and meets five times a year. The Committee has carried out various items of research on behalf of the Council into such areas as Member training, representation on outside bodies, planning enforcement etc.

The terms of reference of the Committee are set out at Appendix 2.

The Council can adopt any of the following options:

- i) Continue with the present arrangements for Overview and Scrutiny.
- ii) Cease operation of a separate Overview and Scrutiny Committee but transfer responsibility for the matters currently set out in the terms of reference of the Committee to another Committee or Committees.
- iii) Cease operation of an Overview and Scrutiny Committee and cease to perform the functions set out in the terms of reference.

The decision that Policy and Finance Committee make in relation to the Committee system will be referred to at the Annual Meeting for Approval, together with amendments to the Committee timetable if required. Members may wish to consider appointing a sub-group to advise the Council how to proceed.

2. Executive Governance Models: The Council could decide that it would like to consider adopting one of the alternative Governance Models referred to in the letter at Appendix 1 for example either the Leader and Cabinet Executive Model, or the Mayor and Cabinet Executive Model. Alternatively, the Council could resolve to hold a referendum on whether to move to a different system.

In the absence of any expressed dissatisfaction by local residents, officers or Members, with the current arrangements, or a request for change to a different type of arrangement, Members may wish to consider whether this would be something which they would wish to pursue.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – N/A
- Technical, Environmental and Legal – N/A
- Political – N/A
- Reputation – N/A

5 **RECOMMENDED THAT COMMITTEE**

5.1 Appoint a sub-group of four Members to make recommendations in relation to Overview and Scrutiny Committee.

5.2 Confirm the Council's commitment to retaining the existing Committee system.

HEAD OF LEGAL AND DEMOCRATIC SERVICES

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

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: THURSDAY, 27 MARCH 2012
 title: LOCALISM ACT - STANDARDS
 submitted by: DIANE RICE – HEAD OF LEGAL AND DEMOCRATIC SERVICES
 principal author: DIANE RICE – HEAD OF LEGAL AND DEMOCRATIC SERVICES

1 PURPOSE

- 1.1 To inform Committee of the recommendation of the Standards Committee in relation to future arrangements for standards.
- 1.2 To seek Committee's nomination of two Members to take part in the process of recruiting independent persons for the new standards regime.
- 1.2 Relevance to the Council's ambitions and priorities:
 - Council Ambitions - }
 - Community Objectives - } The Council seeks to be a well-managed Council, effective arrangements for governance
 - Corporate Priorities - } contributes to this objective.
 - Other Considerations - }

2 BACKGROUND

- 2.1 This matter was considered by Committee at its January meeting and by the Standards Committee on the 1 February 2012. Responsibility for standards remains with the Standards Committee until July 2012. Responsibility for allocation of the Council's duties between the Council's various committees is a matter for the Policy and Finance Committee.
- 2.2 The Standards Committee were unanimously of the view that the Council should retain a separate Standards Committee, comprised of Borough Members and if possible Parish Council Members but without the involvement of any Independent Members, as the Independent role will be taken up by the Independent persons. A copy of the relevant minute is attached as Appendix 1.
- 2.3 The Standards Committee resolved to commence the process to recruit two Independent persons for the new regime. The Committee agreed to form a sub-group of six Members, comprising the Chair and Vice Chair of the Standards Committee, two representatives from Policy and Finance Committee and two representatives from Personnel Committee, to carry out the selection process and make recommendations to the Council about recruitment.

3 ISSUES

- 3.1 The Council need to consider whether it wishes to adopt the recommendation of the Standards Committee and create a separate Standards Committee. If this is the

case Members may wish to consider delegating this matter to the same group of 4 Members as are considering arrangements for Overview and Scrutiny.

- 3.2 It would assist the group if Policy and Finance Committee were to indicate whether it accepts the recommendation of the Standards Committee, or if not which of the Council's existing Committees should take responsibility for standards matters, and any other relevant matters such as the composition of and terms of reference for that Committee.

4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:

- Resources – N/A.
- Technical, Environmental and Legal – N/A.
- Political – N/A.
- Reputation – N/A.

5 **RECOMMENDED THAT COMMITTEE**

- 5.1 Nominate two Members of Policy and Finance Committee to take part in the arrangements to recruit the Independent Member.
- 5.2 Refer consideration of the arrangements for Standards to a sub-group of 4 Members with a recommendation either that there should be a separate Standards Committee or in the alternative advise the sub-group which Committee, this Committee considered should best include Standards matters in its terms of reference.

HEAD OF LEGAL AND DEMOCRATIC SERVICES

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

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 27TH MARCH 2012

title: RIBBLE VALLEY ECONOMIC STRATEGY REVIEW 2012

submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE

principal author: CRAIG MATTHEWS – RURAL REGENERATION OFFICER

1 PURPOSE

1.1 To receive an update on the Ribble Valley Economic Strategy.

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

2.1 An update highlighting changes in Government policy regarding the delivery of economic development, regeneration and business support was reported to the Policy & Finance Committee on 22nd November 2011 detailing events that have followed on from 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 days of activity and the Lancashire Enterprise Partnership is now established to help drive forward economic development in partnership with the Lancashire Local Authorities.

2.2 Over this same time period also, a new national Business Link service has now been established and the Business Link Northwest regional business support service closed at the end of 2011, which was previously the primary agency for business support within the region and the main gateway for access to information on the various business support programmes.

2.3 The Council formally adopted the original Economic Strategy in 2009, setting out the economic aims and objectives for the area over a 5-year period, and aims around 5 thematic areas of activity to guide the council in setting its own activities and resources, as well as providing a framework for partnership working, and 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.

- 2.4 In order to achieve the vision, Strategic Action Plans were created for each key work area, and detailed within the Strategy to provide a framework on which to develop activities to work towards our Strategic Objectives.

3 INFORMATION

- 3.1 The Ribble Valley Economic Strategy 2009 – 2014 and its actions contained a significant number of references to various structures and programmes which were either in the process of transition or no longer exist in the future. Whilst the key thematic areas within the document remain the same, it has therefore been required that a full review of the document; its content and various strands of activity take place 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 draft Economic Strategy Review 2012 document has been prepared and attached as an appendix to this report. A summary of the document and its strategic activities are explained in more detail in the following sections of this report.

- 3.2 **Regeneration & Economic Development** - maximising the areas potential to generate initiatives, projects and attract resources in line with community needs. Encourage and engage both people and businesses for collective community action.

- **Economic Action Plans** - A key action within the Ribble Valley Economic Strategy identified the need to work in partnership and consult with the private sector to develop ideas and priorities for action in key service centres. From this individual action plans were prepared for both Longridge and Whalley along with development of the Clitheroe Town Centre Masterplan.
- **Business Groups** - the Regeneration Team attends regular meetings of Clitheroe, Longridge and Whalley Chamber of Trades and provides support to the three business groups in Clitheroe, Longridge and Whalley. All of which have developed into much more robust groups in recent years, growing in numbers and increasing activities to support trade in each of their areas.
- **Partner Engagement** - the Regeneration Team are regularly in contact with policy formers in the region to highlight the needs of Ribble Valley to ensure that sub-regional, regional, national policies recognise the issues facing rural areas and that information that has relevance to the economy of Ribble Valley feeds into economic strategies and plans.

- 3.3 **Business Support & Development** – addressing issues that facilitate healthy business performance, encouraging business start-ups, business growth and inward investment.

- **Rural Business Support** - the Rural Development Programme for England (RDPE) is delivering direct grant aid for businesses following the successful application for funding. A Local Action Group Executive (LAG) was formed to oversee delivery of the programme and 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 through which a number of projects in Ribble Valley have been supported along with a number of additional projects currently in development.

- **Other Business Support** - information on all business support initiatives available to businesses within the Borough are distributed to Ribble Valley contacts customised to their needs via an internal database. The Regeneration Team also research and collate socio-economic data and business information to establish the current economic status of the area, which enables a proactive approach to be taken in identifying priorities for future regeneration activities and to enable effective monitoring of economic development activities.
- **Economic Downturn and Redundancy Support** - the Regeneration Team are continuing to monitor issues during the current economic climate across Ribble Valley, the wider region and the UK and its current and future implications for the Ribble Valley. This is extremely important in ensuring that we remain aware of the issues that are currently affecting the economy of the Ribble Valley and the surrounding areas. This enables us to respond as quickly as possible to any issues that may arise.

3.4 **Infrastructure & Communications** - providing the necessary 'physical environment' in areas such as transport, affordable housing, ICT & 'broadband' access, appropriate business sites and premises.

- **Employment Land and Premises** - to support the important needs in the Borough for future employment space. The Ribble Valley Employment Land & Retail Study identified that Barrow Brook was the most attractive location for developers and occupiers, as well as being best positioned strategically for transport, and generally least constrained for development.
- **Clitheroe Town Centre Masterplan** - Ribble Valley Borough Council and Lancashire County Developments Ltd, the economic development arm of the County Council, worked with consultants to carry forward the project, helping it to fulfil its potential as an attractive, vibrant and successful location, providing the vision, concepts for the future of Clitheroe Market, Castle Street, Moor Lane and details for the wider management of the project. This, in turn, will support the aspirations of the Economic Strategy by improving the quality of towns and supporting greater investment throughout the District.

3.5 **Image, Marketing & Promotion** – maintaining and enhancing the perception and image of the area; inspiring and encouraging people to invest in and visit Ribble Valley whether for business or pleasure.

- **Marketing** – conducting marketing activities to strengthen the profile of Ribble Valley as a business and visitor location, work has included liaising with commercial agents and identifying inward investment opportunities in line with project work being carried forward on key business development sites.
- **Tourism** – to support the image, marketing and promotion of the area and work closely with organisations such as Lancashire & Blackpool Tourist Board and Ribble Valley Tourism Association to raise the profile of Ribble Valley. Initiatives such as the Ribble Valley Food Trail have gained national recognition, linking small rural businesses including butchers, restaurants,

dairies and bakeries together showing that tourism and local food are an enterprising strength in Ribble Valley. Marketing Lancashire will be the new organisation responsible for promoting tourism and place marketing for the County.

3.6 **Employment & Skills** - ensuring with partners in the public and private sectors that a diversity of training and educational opportunities are available to people and businesses to ensure a healthy labour market.

- **Training** - the number and range of business training opportunities in Lancashire needs to be maintained particularly in response to the economic climate. The delivery of the innovative leadership development (LEAD) programme, is being delivered at the Rural Business Centre at Myerscough College in Lancashire, it is designed around the needs of owners and managers of small and medium sized enterprises to support them to develop strategies for business growth and success.
- **Business Needs** - businesses in Ribble Valley can now access information on current training and support initiatives via the new national Business Link website in order that the business and its staff can identify the best training available along with resources to help them.
- **Vocational Learning** – it is important that young people in the Borough have access vocational training opportunities. Lifelong Learning Networks were introduced by the Higher Education Funding Council for England in order to create progression routes and progression agreements into and through higher education for vocational learners in identified vocational sectors. The Lancashire Lifelong Learning Network is a partnership of five universities, twelve further education colleges, the Lancashire Work Based Learning Forum and Aimhigher Lancashire.

3.7 Finally, this review now presents an additional opportunity to engage with local businesses, residents and groups through a consultation exercise on the issues within the document and encourage further discussion and views on the future issues and activities for Ribble Valley in order to establish collective agreement and direction, strengthen partnership working and to further embrace the Localism Agenda.

3.8 Following this, more detailed actions will be updated in Section 5 of the document in response to the proposed consultation informed by stakeholders.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications

- Resources – None at present, however some projects may be identified as the Strategy progresses and in such matters, a report will be presented to the Policy & Finance Committee.
- Technical, Environmental and Legal - None
- Political – None

- Reputation - The matters covered in this report link with the Council's objectives of a sustainable economy and thriving market towns.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Agree the Draft Strategy Review will now go out to public consultation for a six-week period to enable local stakeholders and, in particular the private sector to comment on any issues contained within the document. A copy of the document will be made available through the Ribble Valley Borough Council website throughout the consultation process.

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

Economic Strategy 2009 – 2014

DRAFT REVIEW 2012



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Executive Summary

Background

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 original Economic Strategy in 2009. Much has changed since this time, whilst the consequences of the economic downturn in global markets were beginning to take effect in the UK, and the election of a new Government in 2010 has since brought around new changes in policy regarding the delivery of economic development, regeneration and business support. The original Strategy and its actions contained a significant number of references to various structures and programmes, which have since changed and therefore this document has been reviewed for 2012 so that it's content and various strands of activity take account of these changes, to bind together these new structures and approach to economic development.

The Economic Vision

- **TO SUSTAIN A STRONG AND PROSPEROUS RIBBLE VALLEY**

The key economic objective of the Council is to ensure that Ribble Valley remains a strong and prosperous area, and the Economic Strategy provides a focus so that the services we and our partners deliver meet the needs of our economic aims.

The main aim of the Strategy is to support and develop an economically sustainable area where investment is encouraged, skills are developed and new and existing businesses are supported. Through the work areas described in this Strategy, we aim to be recognised as a highly entrepreneurial and enterprising Borough that seeks to enhance and maintain vibrant local communities whilst promoting the protection of the environment. The document sets out desired outcomes around 5 key themes and strategic aims, each with a series of related objectives. Through a range of actions it defines how these objectives will be tackled to enable the Borough to realise its economic potential and to ensure long term economic prosperity.

Thematic Areas

The strategy sets out five thematic areas of activity. These are:

- **Regeneration & Economic Development** - maximising the areas potential for economic growth and innovation, and to generate initiatives, projects and resources in line with needs. Encourage and engage both people and businesses for collective action.
- **Business Support & Development** – addressing issues that facilitate healthy business performance, encouraging business start-ups, business growth and inward investment
- **Infrastructure & Services** - providing the necessary 'physical environment' in areas such as land for employment growth, appropriate business sites and premises, transport, affordable housing, ICT & 'broadband' access,
- **Image, Marketing & Promotion** – maintaining and enhancing the perception and image of the area; inspiring and encouraging people to invest in and visit Ribble Valley whether for business or pleasure.
- **Employment & Skills** - ensuring with partners in the public and private sectors that a diversity of training and educational opportunities are available to people and businesses to ensure a healthy labour market.

Ribble Valley in Profile

Ribble Valley is a predominantly rural Borough located in the heart of Lancashire and with an area of 585 square kilometres is the largest district in the County of Lancashire. The main commercial centres of Clitheroe, Longridge and Whalley are attractive market towns, which have retained much of their historic character, and are surrounded by miles of unspoilt countryside. Against this backdrop is a thriving and entrepreneurial business community of established local firms, predominantly small companies and rural industries.

Ribble Valley's strengths are in its low unemployment rates, high quality natural environment and successful businesses. Whilst the area has seen strong economic and job growth over the last decade – one of the highest in the UK – the area has also seen increasing levels of new housing and commuting out of the area for work. In the future the vision is to build on the indigenous strengths and assets of the Borough to maintain a strong and healthy economy, which contributes to the overall prosperity of the sub-region and region. One which; exhibits the right conditions in terms of infrastructure, services and environment to support its own businesses and to attract other successful businesses. A Borough, that enables enterprise to flourish, is environmentally conscious and has sustainable communities with sufficient jobs of a range and quality to better meet local needs, whilst maintaining its highly valued rural character.



This sparsely populated Borough enjoys a spectacular natural environment, much of which is included in the Bowland Forest Area of Outstanding Natural Beauty. This natural environment obviously means that agriculture and tourism have played a significant part in the shaping of Ribble Valley's economy. Market Towns such as Clitheroe & Longridge provide two distinct focal points surrounded by attractive countryside - all of which provide important assets for the economic and social well being of the area. Over seventy percent of the Borough is in the Forest of Bowland Area of Outstanding Natural Beauty, a clear reflection of the landscape quality of the area.

The Borough has a population of around 57,800, with Clitheroe, the main administrative centre having 15,026 inhabitants. Clitheroe lies at the heart of the Borough whilst Longridge, the other main town, lies in the west. Longridge has a population of approximately 8,240. The remainder of the area is mainly rural with a number of villages ranging in size from large villages such as Whalley, Sabden and Chatburn through to small hamlets such as Great Mitton and Paythorne.

The Borough has transport links to both the M6 & M65 motorways and the A59 crosses through Ribble Valley. The rail network also has links to the West Coast mainline at Preston, and links to other major UK networks via Manchester. Also, International Airports are located at Manchester and Leeds/Bradford. This network will serve a strong role for the Borough in many ways, not only for attracting businesses and tourists to the area, but also ensuring the area is accessible to both the wider labour market and local resident population.

In Lancashire, Ribble Valley is the only district that has recorded significant employment growth in the east of the county with Ribble Valley's enterprise survival rates are also higher than national averages. With a higher level of businesses surviving after 5 years in excess of the national average. Key priority areas for Ribble Valley Borough Council include working towards a higher wage economy and ensuring quality affordable housing for our workforce.

The following statistics provided baseline information for the original Economic Strategy in 2009 on a range of factors which impact on the economic, social and environmental well being of the Borough.

Key Facts - Population

- Ribble Valley has a resident population of 58,000. The 3 main settlement are Clitheroe (15,026) Longridge (8,240) and Whalley (4,078)

- Ribble Valley has one of the sparsest population densities of any local authority in England with only 102 people per square km compared to an average 487 people per square km across the whole of the North West.
- Ribble Valley has a higher than average older population - 17.8% of the Borough's population are aged 65 and over. The borough has a low number of young people (31%) when compared with England (37%).
- The working age population of Ribble Valley is 34,600 (60.3% of the total population), which is similar to the North West (61.5%) and Great Britain (62%).
- It is predicted the population of Ribble Valley will increase to nearly 70,000 by 2028 (office for National Statistics).

Key Facts - Employment

- There are 24,100 employee jobs in Ribble Valley
- There is a higher rate of self-employment in Ribble Valley 18.9% compared to the North West figure of 7.8% and Great Britain 9.0%.
- Around 12,320 local residents travel outside of the Borough to work
- Unemployment in Ribble Valley is significantly below average.
- In 2007 there were 2,720 VAT registered businesses in Ribble Valley a total stock growth of 22%.
- Around a quarter of the working population are employed in manufacturing industries.

Key Facts - The Visitor Economy

- Recent years there has seen a growth in visitor numbers to around 2 million people year.
- The majority of tourism businesses in Ribble Valley are small rural operations. Many are sole traders and over 50% of the accommodation stock consists of operations with three bedrooms or less and are considered 'micro' businesses.
- The revenue brought into Ribble Valley by visitors annually is estimated to be over £100 Million.
- A Visitor Information Centre is based in the Ribble Valley Council Offices in Clitheroe, funded and managed by Ribble Valley Borough Council. There are also a number of other facilities around the Borough providing visitor and tourism information services.

Key Facts – The Housing Market

- In Ribble Valley there were 22,210 households in 2001, 92% of which are privately owned. 6.2% of housing stock are second homes - for Lancashire, the ratio is 2%
- During July to September 2008, the average price of a house in Ribble Valley was £193,813. Average household incomes were £26,657, giving a household income: house price ratio of 1:7, for Lancashire, as a whole the ratio is 1:6.
- The proximity of Ribble Valley increases pressure on housing as the area is within commuting distance of urban employment areas.
- When comparing average house prices with average incomes, housing is much less affordable to local residents than the average for the County and region.
- There is a lack of supply of 'move on' properties (3-4 bedrooms). This has a knock on effect on first time buyers, as properties are not re-entering the market.
- Increasing numbers of private sector rental accommodation.

Key Facts - Health and Quality of Life

Ribble Valley has a 17.1% of the resident population with limiting long-term illness. This is considerably lower than the North West with 20.7%.

- 7.9% of people indicated that they were in poor general health, compared with a figure of 11% for the North West.
- Ribble Valley Primary Care Trust has the highest proportion of people who maintain a healthy weight.
- Ribble Valley has the low proportion of people living a sedentary lifestyle and a high proportion of people doing the recommended levels of exercise. Within Lancashire, Ribble Valley has one of the lowest levels of smokers.
- Life expectancy in Ribble Valley is 81.2 for females and 78.4 for males, compared with 80.6 for females and 76.1 for males living in England and Wales.

To further aid and understand the economic position of Ribble Valley, the table below presents a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis for the Borough to capture the picture of Ribble Valley.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Image and perception of Ribble Valley • Low Unemployment • High Quality Natural Environment • Pleasant area to live with high Quality of Life and environmental character • Culture of Enterprise & Entrepreneurship • Established events and attractions • Rising population • Location advantages & external transport links; road (M6, M65 & A59) & rail • Low levels of unemployment & deprivation • Strong agricultural sector & resilient manufacturing & retail sector • High educational attainment and skill levels within resident population • Good business formation & self employment rates & high levels of entrepreneurship • Market towns & rural centres established in their roles • Dedicated town partnerships & Chambers of Trade • Strong employment growth & business formation in recent years • Unique heritage and environmental assets of regional significance (Clitheroe, Longridge, Whalley, Forest of Bowland AONB etc) 	<ul style="list-style-type: none"> • High housing cost • Limited amount of employment land • Hidden low wage economy in certain sectors • Small & sparse population • Lack of all weather attractions • Poor rural transport and utilities infrastructure in some areas • No established further & Higher Education Providers/Facilities • Over representation in declining economic sectors • Borough wide under-representation in 15-29 age group and generally aging population • High and increasing levels of in & out commuting (net out commuter) & worsening self-containment rate • Shallow knowledge economy & low representation of growth sectors • Low inward investment profile & limited recent success • Areas of rural disadvantage, service loss and isolation • Poor public transport provision & reliance on private transport to access employment / training • Some key sectors seen as low skill / low wage employers • Transport / Traffic constraints affecting viability of economic centres • Need for improvement to rail links
Opportunities	Threats
<ul style="list-style-type: none"> • The Natural Environment • Location and accessibility to M6, M65 & A59 affording good east/west and north/south connectivity • Access to ICT Broadband Infrastructure • Vocational training opportunities (Aspire Project) • Tap and grow the volume & value of the tourism sector, particularly over night stays • Retain commuters & stem worsening self containment rate • Increase Borough's share of regional inward investment success • Potential of A59 corridor for employment development • Ability to support and build strong partnerships & collaborative working • Growth potential of existing businesses & their loyalty to area • New mechanisms, funding & legislative changes (RDPE) to support economic development • Changes in the delivery of business support (NW Business Link & business support simplification) • Corporate track record in e-Government & potential lead on ICT infrastructure / e business • Opportunities afforded by Local Development Framework • Opportunity to harness skills, knowledge & entrepreneurial potential of resident population • Opportunities afforded by environmental character & quality to grow tourism product 	<ul style="list-style-type: none"> • Perception of an affluent area • Lack of Government & European Funding Streams • Insufficient employment land to meet future potential needs • Housing affordability and the lack of affordable housing • Tight labour supply & perceived skills shortages / gaps (particularly lower level occupations) • Potential loss of existing firms seeking expansion • Perceived / actual mismatch of labour supply & demand • Continuing cost and competitive pressures facing traditional sectors (agric / manufacturing.) • Continuing competitive pressures facing High Streets, particularly the independent retail sector • Continuing loss of employment land to alternate uses • Low commercial vacancy rates & comparative high costs of commercial development • Short timescale of public funding creates lack of continuity of delivery programmes • Short timescale of public funding creates lack of continuity of delivery programmes • Economic growth potentially constrained by planning policies • Exodus of talented young people

Regeneration & Economic Development

Strategic Objective

- **To identify & develop initiatives that will encourage the long-term physical and social regeneration of Ribble Valley**



A dynamic local enterprise culture is vital for the long-term competitiveness and overall success of any local economy. The prosperity of the economy in the Ribble Valley is demonstrated by having the second highest growth in business start-ups in Lancashire over the last ten years. However, there is a need to ensure that opportunities are available for businesses to continue to develop in the area. There is a need to continue to market and regenerate our market towns and villages as places to do business and to ensure that there is employment land available for development.

The issues of public transport particularly and accessibility to isolated villages are part of a perceived need for a more flexible approach and a more accessible service. Without economic prosperity, many other problems e.g. health, housing, crime, access to services are all much harder to address. This fact also reflects the current issues within the economy of Ribble Valley. Whilst the general perception from outside the area is that of a relatively affluent Borough with low levels of unemployment, the reality is that many individual and households in Ribble Valley experience lower levels of income than that of the UK average. This can create a risk of a two-track economy in the Borough, where higher income households reinforce the perception of affluence overshadowing the need to address the needs of those on lower incomes.

Regeneration should be seen as a supporting activity as part of a package of economic development activity. Developing a framework for the integrated social and economic development of Ribble Valley is an underlying principle of this Economic Strategy. If we are to achieve and sustain economic well being in Ribble Valley it will be necessary not only to provide the relevant physical infrastructure, but also to develop the 'human capital' within Ribble Valley to ensure that our population are sufficiently informed and skilled to be able to participate in local economic development and regeneration activities. The need to identify and develop projects and initiatives are recognised as a priority that cuts across this Economic Strategy.

The original Economic Strategy in 2009 identified the main regeneration and economic development issues as follows:

- The need to develop and progress geographical and thematic priorities for action
- The need to link Ribble Valley's economic needs to local and national priorities
- The need to retain and enhance local services to local people and businesses
- Benefits of partnership working locally, sub-regionally and regionally
- Identify, constantly monitor and pursue opportunities in line with Ribble Valley's economic needs
- Maximising opportunities for further development appropriate to needs

Partnership Working

Government in April agreed the Lancashire Enterprise Partnership (LEP). The LEP is a wholly owned company limited by guarantee of Lancashire County Council, comprising of 16 Directors with 11 from the private sector. Edwin Booth is currently the Chairman of the LEP Board. The remaining Directors are drawn from local government and university sectors.

The key purpose of the LEP is to provide the business-led leadership and single economic voice needed to enable Lancashire to compete in the market place for new jobs and investment. The LEP Board considered an independent report from Professor Michael Parkinson of Liverpool John Moores University on the development of an agreed set of strategic economic priorities for the LEP.

Key Service Centres

Clitheroe

Clitheroe plays an essential part in the rural economy of Ribble Valley and there is a continuing need to ensure the economic health and vibrancy of Clitheroe as a key Market Town and service centre, helping our rural businesses and communities remain healthy, economically and socially. A town centre masterplan has been developed to address the key issues, needs, actions and aspiration towards maintaining and strengthening essential role of Clitheroe in the economy of the Borough as a service and retail centre for its residents and the wider rural community.

It is important that Clitheroe does not stand still and that the town and surrounding communities evolve and adapt to the changing patterns of work, culture and social activity whilst maintaining and enhancing its cultural, heritage and environmental assets. The need to maintain Clitheroe, as a thriving economic centre will be a key factor in the future economic success of Ribble Valley. A culture of independent and individual shops, restaurants, cafés, adequate car parking and efficient local transport provision and access will be essential in this process.

Ribble Valley Borough Council and Lancashire County Developments Ltd, the economic development arm of the County Council, will begin work on a Clitheroe Town Centre Masterplan during 2009. The purpose of the study is to provide a clear Development Strategy and Implementation Plan to enable partners to support the promotion and revitalisation of the Town Centre, helping it to fulfil its potential as an attractive, vibrant and successful Town Centre. The Masterplan will equip partners with practical and robust project plans with options to help create a new and thriving market place and provide retail units appropriate to modern retailer requirements.

Longridge

Longridge is the second largest settlement within the Ribble Valley and has a long history of social and industrial change over the last 200 years. Located to the west of the Borough with transport links to the M6 motorway, Longridge first became recognised as a market town at the end of the 18th Century when the town became a focal point for the local farming community. The town expanded rapidly during the following century due to the large demand for labour to work in the quarries and cotton weaving mills, which emerged around this time, and the town continued to act as shopping and service centre for the surrounding villages, in particular those of Chipping and Ribchester, but also those of neighbouring villages over the district boundary within the City of Preston.

The traditional industries quarrying and cotton weaving which once supported its growth have since disappeared and today Longridge has become known for its busy town centre supported by an increasing number of independent shops and businesses. This, along with its neighbouring villages such as Ribchester, Knowle Green and Chipping, represent an area of unique heritage and environmental assets of regional significance. Longridge itself has seen a sustained growth in population in recent years and plays a continued role as key local service centre. Recent progress has seen the development at Longridge Civic Hall including new sporting facilities and the opening Willows Park Children's Centre serving the town and its neighbouring villages.

Longridge also plays an essential part in the rural economy of Ribble Valley and there will be a continuing need to work hard in partnership to deliver an ongoing programme of regeneration in Longridge as a key Market Town and service centre, helping our rural businesses and communities remain healthy, economically and socially. It is therefore vital that the town considers its future role and sustainability and the Longridge Action Plan will be developed in partnership that will address the key issues, needs, actions and aspiration towards maintaining and strengthening the essential role of Longridge in the economy of the Borough as a service and retail centre for its residents and the wider rural community.

Whalley

Whalley is a large village on the banks of the River Calder. The parish consists of the old village, which emerged as early as the 600's, that has grown from a traditional village centre with a large estate of new properties on the site of the former hospital just out of the centre. The population of Whalley has increased dramatically in the last 15 years – by well over 30 percent.

Priority aims and objectives:

- Progress priorities for in the major service centres of Clitheroe, Longridge & Whalley in line with their individual Action Plans, working in partnership with Parish & Town Councils and local business groups.
- Support regeneration activities in smaller settlements through the Community and Parish Planning process.
- Strengthen and develop communication mechanisms for sharing economic development information between Ribble Valley partners.
- Ensure, through effective representation, that local and national policy makers are aware of the issues facing Ribble Valley
- Ensure that the 'rural' case for funding assistance from National, Regional, Sub Regional and European sources has a high profile
- Maximise funding opportunities as appropriate to the needs of the area
- Engage with the Ribble Valley LSP steering group to take forward the Ribble Valley Community Strategy
- Work towards developing a higher wage economy

Business Support & Development

Strategic Objective

- **To work in partnership to provide the best possible support for existing and new businesses in Ribble Valley**

Ribble Valley has a strong level of business start-ups that has seen the second highest growth of all Lancashire districts over the last ten years. Sustainable development is a priority and to support this we need to help businesses strive for continuous improvement and economic growth. Sustainable development is a priority and can be assisted by providing consistent and effective business support services.

For tourism related businesses, quality is a key success factor. Improvements in facilities and quality standards within the industry are important in order to improve business performance and increase market share.

Business growth is also reliant upon possessing a varied workforce with a wide range of skills and abilities. Business development related issues, aims and activities are therefore also addressed in the Employment & Skills and Regeneration & Economic Development sections of this document.

The main business development issues identified are:

- A confusing network and a lack of awareness of organisations supporting businesses
- Inward Investment competition in other areas.
- High growth potential around A59 corridor
- Opportunity for expansion in key growth sectors such as tourism, food and drink, creative and cultural industries, digital industries, financial and professional services, sport and textiles
- A predominantly seasonal visitor economy with few opportunities for adverse or wet weather activities.



Business Support

Following Government changes regarding the delivery of business support, a new national Business Link service has now been established as new arrangements for business support in Lancashire and the UK. Business Link 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.

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.
- Department for Work & Pensions support for unemployed individuals looking to start a business.

Most recently, as part of these new delivery arrangements Business Link nationally has now launched two new services to help anyone looking to start up, improve and grow their business.

- My New Business - provides people in the stages of starting their business with what they need to know to get off the ground and plan for future success
- Growth and Improvement Service - provides guidance for people to get more out of their business, such as generating more sales, increasing profits, and saving time and money

Business Investment

Inward investment activity in the UK operates in a highly competitive market. Both Ribble Valley and Lancashire require a number of issues to be addressed in order for this to be developed and to attract significant inward investment in the future. Opportunities for further inward investment are also dependant on a ready supply of suitable employment land within the Borough. Also, Ribble Valley does not have the labour supply to service large scale inward investment prospects.

Research and evidence indicates that local company expansion projects and increased business start-up rates are the major vehicles for future job creation in the Borough. However, consideration will need to be given to develop effective measures that can seek to attract appropriate inward investment that can minimise the over reliance on specific employment sectors and help address issues around economic change.

The inward investment market is very competitive and smaller than in the past, however, opportunities will be sought that will highlight the key assets, due to Ribble Valley's geographical location.

Key Growth Sectors

It is recognised that it is sensible to develop an economy with a broad portfolio of employment sectors whilst capitalising upon Ribble Valley's key skills and strengths. With this in mind it is necessary to target inward investment efforts at sectors providing well-paid, quality employment opportunities, which will link in with the 'High Growth' aspirations of the UK Government. These will include businesses allied to the high quality environment including Environmental Management, Sport and Leisure and Food and Drink. In addition, Lifestyle and office



based activities including Arts, Crafts and Creative Industries, ICT, Financial and Professional services, would be appropriate.

Employer Relations

There is a need for greater contact to strengthen relationships with businesses in Ribble Valley to understand their needs. Workforce development is a major issue for business growth, which is reflected in the links noted between these sections. Recent research undertaken by the Learning & Skills Council indicates that there has been a decline in employer training in recent years. The need to develop further leadership, management and regeneration skills throughout Ribble Valley is also a focus of the wider strategy. As part of the business support package in Ribble Valley actions will be created that will strengthen the ongoing relationships and engagement of local businesses.

Tourism & The Visitor Economy

Tourism plays an important role in the economy of Ribble Valley. Positive features include Tourism Marketing & Events activity in Ribble Valley and an extensive provision of visitor information.

In recent years, achievements have been the encouragement and formulation of sustainable tourism activities that lead towards tourism development that respect the area's environmental assets; working in partnership with a range of agencies to develop, fund and market sustainable tourism initiatives; improving the quality of the promotional literature produced by the service, and taking advantage of joint promotional activities; maintaining the Clitheroe Tourist Information Centre (TIC) in a town centre location; supplementing the tourist information centre with a series of tourist information points in businesses and attractions in other settlements in the area and supporting the development of Ribble Valley Tourism Association.



Clitheroe Castle is a significant tourism attraction and a key heritage asset in Ribble Valley.

Ribble Valley has a range of accommodation available to the visitor. Many of the operators are very small businesses and should be encouraged to participate in quality grading schemes. Visitor expectations are constantly rising and the tourism offer must meet demands for quality and service. This applies to the attractions, retail businesses and the restaurant or cafe (food & drink sector) offering locally sourced produce.

There is a lack of wet weather attraction provision, the opportunity for which needs to be addressed either by expanding appropriate existing attractions or encouraging new visitor attractions to the area. A gap analysis is required in order to encourage new investment within hotel accommodation, self-catering, conference venues, eating out and visitor attractions, including Ribble Valley's cultural and heritage tourism offering as appropriate.

Business tourism could be an important opportunity in developing out of season business in the Borough, such as those facilities. Developing this market will contribute to increased occupancy levels over the traditional 'low' season, hence improving job quality, business sustainability and increasing the economic impact of tourism throughout the year. Appropriate research will be undertaken that will identify whether there is scope for growing this market in Ribble Valley.



Priority aims and objectives:

- Maintain and enhance business advice and support services in Ribble Valley

- Promote a sustainable approach to business development in Ribble Valley
- Increase the profile of business support and advice services through improved promotion throughout the area using appropriate media
- Monitor incentives and schemes of support and assistance to businesses in Ribble Valley
- Seek measures towards accommodating appropriate and potential inward investment to the area
- Encourage continuous improvements in facilities and quality standards within the hospitality and accommodation industry and at visitor attractions
- Identify key areas with greatest potential to develop the leisure and cultural economy, such as walking paths, cycle routes and equestrian trails and improve the access and infrastructure at these sites

Infrastructure & Services

Strategic Objective

- **To strive for a high quality, modern and integrated infrastructure, maintaining and improving the public realm, appropriate and affordable housing, transport infrastructure and technology for the benefit of Ribble Valley business, residents & visitors without compromising the quality of the existing natural and built environment**

Infrastructure

Infrastructure refers to the physical components considered essential to the smooth running of the economy. However, there is a need to ensure that opportunities are available for businesses to continue to develop in the area. There is a need to continue to market and regenerate our market towns and villages as places to do business and to ensure that there is employment land available for development. We will continue to work with Lancashire County Council and others providers to improve the local infrastructure

The issues of public transport particularly and accessibility to isolated villages are part of a perceived need for a more flexible approach and a more accessible service.

Without economic prosperity, many other problems e.g. health, housing, crime, access to services are all much harder to address. The supply of human capital is considered in the 'Employment & Skills' section.

The main infrastructure issues identified are:

- Lack of availability of employment land for new & future investment.
- Inadequate supply of appropriate business premises accommodation
- Opportunity to further enhance and reinforce public realm
- Provision and enhancement of a quality visitor services
- Poor internal transport systems in some areas
- Good external transport networks within ½ - 1 hour
- ICT Broadband access and mobile communications need addressing as an opportunity to attract businesses

An effective transport system is essential to the efficient smooth running of the local economy to facilitate the transport of both goods and people. However, the demands of business and commerce need to be met in a sustainable manner if Ribble Valley's quality environment is to be retained. The expansion of Ribble Valley's road and rail network is constrained by the restrictions of the Bowland Forest AONB status. The enhancement and promotion of existing excellent road and rail networks should continue.

Whilst statutory responsibility for transport delivery lies with the Lancashire County Council, all those with an interest in the maintenance of effective transport links will be encouraged to ensure effective transport connectivity and access in Ribble Valley. Whilst external communication links are a positive asset to the area, the internal infrastructure is lacking, most greatly in the more rural, sparsely populated areas.

ICT

The use of Information & Communication Technology (ICT) for business purposes overcomes physical barriers and should be encouraged as a means of revolutionising communication between Ribble Valley's small and medium businesses, our communities and the market place. The case for improved access to Broadband in Ribble Valley highlighting the long-term benefits towards the economic development of rural areas. The availability of ICT acts as an attraction for inward investment and business growth in e-commerce, media and cultural sectors. 'Connected Lancashire' and the development of the Destination Management IT system are also key ICT projects within Lancashire.

Land and Premises for Business Development



The availability of suitable sites and premises is essential to allow the natural growth of local businesses and attracting new ones. Existing Business Parks in Ribble Valley can help to create business opportunities to address this. However, extra-ordinary costs can be incurred in developing employment sites in rural areas. The ability of the current utilities infrastructure in Ribble Valley to support any future development will need to be assessed in partnership with the agencies responsible for water, electricity and gas.

Barrow Brook Business Park will ensure that land sales and development proposals contribute towards the development of a higher wage economy in Ribble Valley. The need for a study into potential employment sites with access to the A59 corridor highlights the potential for business growth in the South of the Borough.

The current Local Plan identifies employment land, which has not been developed for employment purposes, where the owners have chosen not to develop the land. The Local Development Framework will establish a framework

for local communities to identify appropriate local land and buildings for economic use.

Ribble Valley's high quality environment provides an ideal location for many office, crafts and cultural based businesses. In order to allow the expansion of Ribble Valley's economy in particular in business services, further office accommodation will need to be provided either by new build or converted space including potential uses in redundant farm buildings.

In particular, it has been identified that there is strong potential for business development on the A59 corridor. The identification, and future provision of suitable land for future employment and business development around the A59 corridor will assist in this.

Housing

Affordable housing is one of the crucial issues that influences the economic and social strength of rural communities, and is a major contributor to long-term community sustainability. There is a shortage of affordable housing in rural areas throughout the UK and Ribble Valley is no exception. This impacts on the opportunities and choices for all rural people. Without a range of suitable properties within our towns and villages it is difficult to encourage sustainable communities and maintain a vibrant, living countryside.



The development and maintenance of decent, affordable housing and related services in Ribble Valley is therefore a priority to meet the needs of local people and support economic and community development.

Priority areas include ensuring planning policies meet the needs of local people and working with other agencies to develop options for low cost home ownership. In addition further work needs to be undertaken across the County to coordinate research and disseminate information about housing needs.

The high demand for housing in the borough had an impact on the availability of affordable homes. Most recent official figures available show that the price of houses in the Ribble Valley was continuing to rise at a greater rate than that of the North West. In addition to this the Ribble Valley has the lowest social stock provision in Lancashire.

Significant housing growth in the last 10 years, including major developments at the former Brockhall, Ribchester and Calderstones Hospital sites has assisted in addressing this situation, however, the area continues to attract new residents, as a result of its attractive rural environment, high quality of life and 'adequate' transport links to other parts of Lancashire and the North West.

The high demand for housing has had a major impact on the availability of affordable housing and employment opportunities. The new regional plan for the North West has set an increased level of housing for the area that will effectively double the amount of development in Ribble Valley over the next 10 years.

Public Realm

Public Realm includes all aspects of the environment that contribute to the experience of a place or location. This includes the quality of parks, roads and transport, public facilities, signage and information, litter management, safety issues and the general quality of the street scene overall.

Whilst local authorities have responsibilities for delivery, 'public realm' forms an important part of the tourism product and the visitor economy. For example: good quality facilities can lead to increases in tourism related economic activity. This theme is also an important aspect of attracting inward investment and reinvestment in existing businesses. Maintaining and improving the public realm is an important part of maintaining quality of life for residents.



England's Tourism management organisations have developed a national benchmarking scheme to enable visitor destinations to measure and compare their performance. The benchmarking measures visitors and resident's opinions and levels of

satisfaction. The visitor survey focuses on accommodation, shops, venues, tourist information, parking, signage and public conveniences, whilst the residents' survey focuses on transport, parking, shops, local facilities, toilets and accessibility. The results of the surveys are collated and reports produced to enable participating destinations to compare themselves with similar visitor destinations. The aim is to encourage continuous improvements and monitor performance against similar destinations nationwide.

Further measures will be taken to identify the kinds of improvements to public space, which will most enhance the role of Clitheroe as a local service town and a visitor destination. Funding to make improvements will be sought from a range of sources.

Priority aims and objectives:

- Promote external transport networks e.g. regional, national links and encourage potential enhancement schemes to support this
- Encourage the improvement of local transport provision
- Seek improvements to ICT and Broadband access across the whole community
- Identify demand for business accommodation and sites across Ribble Valley
- Develop and redevelop, through appropriate programmes, key employment sites and premises in major service centres, including the stimulation and investment in tourism projects
- Review the provision of tourism signage within the Borough
- Constantly seek measures to enhance the public realm in Ribble Valley
- Influence housing policy to meet the needs of economic and community development

Image, Marketing & Promotion

Strategic Objective

- **To constantly and consistently raise the profile and perceptions of Ribble Valley, strengthening awareness of the benefits of the area in terms of quality of life as a place to live, visit, work and do business**

In addition to tourism marketing and promotion, there is a need to constantly market and promote the facilities and services available in Ribble Valley to businesses, residents as well as visitors. These groups are diverse and will therefore have differing needs and aspirations. This being so, it may at times be necessary to employ different approaches to marketing and promotion.

The main marketing and promotion issues identified are:

- Need to raise the profile of Ribble Valley, sub-regionally, regionally and nationally
- Low awareness of economic development and business support services
- Need to research and identify customer needs internally and externally

Area Promotion and Profile Raising

There is a strong need to reinforce Ribble Valley's profile and economic needs. Consultation with businesses often indicates a lack of awareness and confusion about support services in the region. The quality lifestyle and the quality natural environment enjoyed by both businesses and residents are clearly identified as strengths in the SWOT analysis and therefore offering an opportunity to exploit. Additionally, there are many strong elements, which can be used to promote and market Ribble Valley, for example the



M6, M65 and A59 transport links. We must therefore consistently raise the benefits and overall profile of the Ribble Valley message to the media.

The Borough Council will continue strong relationships with its key partners to ensure the area maintains a strong profile for potential new business investment and the visitor economy.



Tourism Promotion

Ribble Valley is recognised as a distinctive hallmark that draws visitors to Lancashire. A major strand of marketing is the promotion of Ribble Valley as a visitor and holiday destination. Key influencing factors include components of the holiday product such as the natural environment, Market Towns and villages, individual attractions, and outdoor activities. Essential to this are strong sub-brand or brands for the Borough and to ensure that all tourism publications are appropriate to business and visitor needs. Accommodation, built visitor attractions and cultural and heritage sites have the potential for further development through this activity area.

Develop and Promote Sustainable Tourism Practices

Sustainable tourism development meets the needs of the present without compromising the abilities of future generations to meet their own needs. Sustainable tourism activities should provide visitors with the opportunity to enjoy a quality experience without damaging the environment or creating excessive pollution. Activities in this area include the promotion of training schemes for operators and working with conservation organisations on specific projects and by encouraging tourism operators to work in a sustainable manner.

Delivery of Visitor Information

The Tourist Information Centre in Clitheroe is a recognised part of the tourism product. The centre is used both in the planning process in advance of a trip to Ribble Valley and as a first point of contact for many visitors. The face-to-face contact is highly valued. The Centre also makes a strong contribution to the local community, the economy and to the health of the area as a key point of access to local information and services.



The use of ICT in visitor information provision is changing rapidly. Ribble Valley supports a 'Destination Management System' which links us directly via the web to all participating tourism operators in the Borough, improving the quality of visitor information and improving e commerce for the hospitality trade. There are opportunities to develop the system further and there may be cost saving and revenue generating opportunities from this information system in the future. It may also be beneficial, where appropriate, to channel information through those of our partners that can contribute to providing information in an efficient and cost effective way.

Priority aims and objectives:

- Raise awareness of the importance of economic development and tourism to the local economy
- Continue to strengthen our work with tourism and economic development partners to raise the profile of Ribble Valley
- Maximise the spread the economic benefits of tourism throughout the Borough
- Develop, promote and encourage sustainable tourism practices

- Maintain an effective, quality visitor information facility through Clitheroe Tourist Information Centre and associated services in other key facilities
- Develop and promote customised branding for Ribble Valley

Employment & Skills

Strategic Objective

- **Encourage and develop educational attainment and a skilled labour market in Ribble Valley for the benefit of existing and new employers**

Skills and Employment

Ensuring an available workforce with the skills needed by local employers and being able to offer and attract quality employment opportunities issues which impact across all areas of this strategy. Ribble Valley schools persistently recorded one of the highest A-C grade GCSE pass rates in England.

The main skills and employment issues identified are:

- Lack of data to clearly identify training and development issues facing Ribble Valley employers
- The need to undertake research into skills gaps and skills needs
- Lack of skills identified in growth sectors such as culture and creative industries, leisure and sport
- Lack of career development opportunities
- Lack of training opportunities in outlying areas of Ribble Valley
- Decline in workforce development by employers
- Attraction and retention of young people

To address the skills and employment issues we need to explore innovative ways in which to co-ordinate effort between key agencies charged with the task of delivering these services. The delivery of a wider range of skills and an increase in the skill levels attained by the existing and future workforce is essential for the future development and growth of Ribble Valley's economy. There is a need to increase responsiveness to employer need, raise adult skills levels and improve the quality, diversity and accessibility of learning and skills provision throughout Ribble Valley.

Labour Market and Skills

A lack of readily available labour with the relevant skills levels can constrain business growth, particularly in culture, media and sports occupations, administrative occupations and corporate management. We will work with partners to identify training issues facing Ribble Valley employers and seek to address gaps in training provision through the development of appropriate providers. The attraction and retention of young people, in particular graduates, is a concern to many employers. The lack of Higher Education (HE)/Further Education (FE) provision in the Borough is a contributory factor, also preventing Ribble Valley from capitalising on the growth of the knowledge economy. The proposals for a university for Pennine Lancashire are welcomed. However, it is essential that strong links and provision will available people in Ribble Valley.



Certain business sectors are increasingly recruiting staff from outside the county. This practice highlights a number of issues that need to be addressed. This situation directly impacts upon the local housing market and the labour

market, suppressing wage levels. However, we need to acknowledge that this is not a new phenomenon. Further research needs to be conducted to investigate the extent of this trend and the implications for the future Ribble Valley economy. There is a lack of information, advice and training opportunities in smaller settlements and outlying areas. In addition, the appropriateness of adult education and other training provision to local employment needs and opportunities needs to be addressed.

More opportunities to develop vocational training opportunities in Ribble Valley will need to be established to ensure local businesses and people have access to good quality, convenient and cost effective learning opportunities. A wider variety of vocational courses need to be made available if Ribble Valley's economy is to diversify from agriculture and tourism related employment.

Enhance Career and Employment Opportunities

The Ribble Valley economy is providing jobs at a higher level than necessary to sustain its resident workforce. Consequently, the labour market is very tight and this has implications for new housing provision and transport improvements. However, this does not appear to be bidding up wages and low pay and seasonality remain issues. Recent evidence does not support the view that low skill levels are a particular characteristic of the Ribble Valley labour market.



The economy is broadly successful and generates high employment, especially self-employment, negligible unemployment and low economic inactivity. This high level of self-employment must not be taken for granted. The promotion of enterprise and entrepreneurship remains a priority, in particular the need to develop and sustain an entrepreneurial culture within schools and local community organisations.

Strong links are to be developed between post 14 education, work-based training, further education, higher education and employment to ensure an effective match between skills and job opportunities.

Priority aims and objectives:

- Identify employer and employee skills needs
- Supporting partnership working to provide solutions to skills issues identified
- Ensure that learning opportunities are addressing the needs of Ribble Valley businesses
- To provide learning opportunities as locally as possible
- To encourage the development of a comprehensive vocational learning centre in Ribble Valley
- Promote and develop learning activities that support lifelong learning
- Reduce seasonality of tourism related jobs
- Seek measures to encourage the knowledge economy in Ribble Valley



RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 27 MARCH 2012
title: SAFEGUARDING POLICY & PROCEDURES
submitted by: JOHN HEAP, DIRECTOR OF COMMUNITY SERVICES
principal author: CHRIS HUGHES, HEAD OF CULTURAL & LEISURE SERVICES

1 PURPOSE

To ask Committee to endorse the adoption of the enclosed document, relating to the Council's role in safeguarding children and vulnerable adults.

2 RELEVANCE TO THE COUNCIL'S AMBITIONS AND PRIORITIES

- **Council Ambitions** – The contents of this report contribute to the Council's ambitions for making people's lives safer and healthier
- **Community Objectives** – Access for all, community cohesion, community safety and improving the health and well being of local people
- **Corporate Priorities** - Equality and equal access to services.
- Other Considerations - None

3 BACKGROUND

- 3.1 The Borough Council has had a Child Protection policy in place for a number of years, but this has mainly focussed on the work of culture/leisure staff who, traditionally, have had the greatest access to children as part of their work.
- 3.2 In more recent years, the role of the Council has expanded, and it is now involved in a range of partnership activities that have a connection with children and vulnerable adults, for example, Crime Reduction, Health & Wellbeing Partnerships, and Children's Trusts.
- 3.3 The Council was recently contacted by Lancashire Safeguarding Children's Board, along with NHS East Lancashire, and asked to review our policies and procedures in line with good practice within the sector. The audit was difficult to interpret at the time, as it was written for services whose main focus was the care of children and adults. Having said that, it did raise a number of areas where our own policies/ procedures needed updating.
- 3.4 The need for more robust procedures is even more urgent within our current arrangements with East Lancashire, where we are commissioned to deliver a range of healthy lifestyle programmes. Robust safe guideline policies are now a requirement under future contracts.

4 CURRENT SITUATION

- 4.1 Irrespective of the expectations of external parties, it would be good practice to review all our policies and practices to ensure they reflect good practice within the sector.

- 4.2 With this in mind, the Council's Overview & Scrutiny Committee took on the task of reviewing the Council's approach to Safeguarding. At their meeting on 31 January 2012, a draft policy was discussed, along with an action plan that would address actions that were required to implement the policies. The action plan identified the following issues, how they should be addressed, and a timetable for their implementation. The action plan (enclosed) has since been discussed by appropriate officers, and endorsed by the Council's Corporate Management Team.
- 4.3 The main underpinning document is the proposed Safeguarding Children & Vulnerable Adults Policy & Procedures that sets out definitions, required action in the event of an incident, and the main points of contact. As an appendix to the policy, there are also a range of good practice guides that advise on specific issues.
- 4.4 A new safeguarding section will be set up on the Council's intranet, where staff will be able to access advice and support on all safeguarding issues.

5 RISK ASSESSMENT

The approval of this report may have the following implications:

- **Resources** – There are no direct financial implications
- **Technical, Environmental and Legal** – Although not a legal document, the revised policy/procedures are needed to satisfy contractual arrangements, and would support any actions if an incident were to occur.
- **Political** – Not having robust safeguarding arrangements could exclude the Council from future partnership arrangements.
- **Reputation** – The report demonstrates the Council is taking a leadership role on safeguarding within the Ribble Valley

6 RECOMMENDED THAT COMMITTEE

6.1 Notes the contents of the report and enclosed Action Plan.

6.2 Agrees to the adoption of the enclosed Safeguarding Policy / Procedures.

JOHN C HEAP
DIRECTOR OF COMMUNITY SERVICES

For further information, please contact Chris Hughes 01200 414479

**RIBBLE VALLEY BOROUGH COUNCIL SAFEGUARDING CHILDREN AND VULNERABLE ADULTS
ACTION PLAN**

ISSUE	DETAIL	ACTION	RESPONSIBLE PERSON	TIMESCALE
Operational Policy Procedure	Current documents are out of date	Re-write documents to include current practice and incorporate vulnerable adults	Chris Hughes/Colin Winterbottom/Tom Bamber/Peter Fletcher	Feb 2012
Senior Management Involvement	The need to demonstrate that senior management own the policy and processes	Identify a senior officer as safeguarding lead for the Council and report issues/progress to CMT on a programmed basis and to Heads of Service Group	Chris Hughes	Ongoing
Member Involvement	The need to demonstrate political support	Identify a member champion for safeguarding	Cllr Brunskill is currently Children's Trust rep	Ongoing
Corporate Documents	There are a range of current documents that would benefit from minor amendments in order to highlight the importance of safeguarding and incorporate revised procedures	Review the following documents <ul style="list-style-type: none"> • Recruitment and Selection • Induction procedures • CRB Thresholds • I.T./Internet usage policy • Whistleblowing • Disciplinary procedures • Training Policy 	Michelle Smith	March 2012
Embedding Safeguarding in normal business	The need to demonstrate that safeguarding issues are considered in decision making, where appropriate	<ul style="list-style-type: none"> • Include safeguarding in the Risk Assessment section of committee reports • Include safeguarding on Health and Safety Working group agenda • Form a small working group to review policies/working practice on a programmed basis 	CMT	

ISSUE	DETAIL	ACTION	RESPONSIBLE PERSON	TIMESCALE
		<ul style="list-style-type: none"> • Include safeguarding in performance appraisals, where appropriate • Ensure risk assessments are carried out where safeguarding may be an issue 		
Awareness/Training	The need to make all staff aware of policies/procedures and provide appropriate training for staff who regularly come into contact with children/vulnerable adults	<ul style="list-style-type: none"> • Create a safeguarding section on the Internet/Intranet • Use Backchat to keep staff informed • Identify training needs and access training via Lancs Safeguarding Board or other external providers 		
Engagement	The need to demonstrate that the needs of young people and vulnerable adults are taken into consideration when developing policy/practice	<ul style="list-style-type: none"> • Have representation on the Children' Trust Engagement sub group • Have representation on the LSP People and Communities theme group 	Chris Hughes	
Leadership	The need to ensure that any organisation working with, or for the Council, has appropriate safeguarding policies/procedures	<ul style="list-style-type: none"> • Ensure that compliance is written into and future agreements • Signpost organisations to support/advice sources 		
Joint Working/Information Sharing	The need to work together to ensure the best outcome for vulnerable children and adults	<ul style="list-style-type: none"> • Identify key contacts within partner organisations • Sign up to a joint information sharing protocol 		As appropriate
Equality and Diversity	The need to ensure that policies do not exclude any sections of the community	<ul style="list-style-type: none"> • Carry out an equalities impact assessment on all new/revised policies/procedures 	Equalities Impact Assessment working group	Michelle Smith

ISSUE	DETAIL	ACTION	RESPONSIBLE PERSON	TIMESCALE
Section 11 Audit	Re-submit section 11 audit	Demonstrate that arrangements are fit for purpose	Chris Hughes	March 2012
Approval of Policy	Report to P+F Committee		Chris Hughes	March 2012

RIBBLE VALLEY BOROUGH COUNCIL SAFEGUARDING CHILDREN AND VULNERABLE ADULTS POLICY AND PROCEDURE

POLICY CONTEXT

Core Principles

It is the council's aim to ensure that people it comes into contact with are protected from neglect, physical, sexual and emotional harm whilst participating in activities or using services run by the Borough Council, in partnership with others or on premises owned by the Council.

In the context of children and vulnerable adults the council will endeavour to ensure that any child or vulnerable adult coming into contact with its staff, elected members and other people/organisations providing services in partnership with the council will have a positive experience. It will ensure that the behaviour of any individuals within the above groups will always be beyond reproach.

The Council is involved on a day-to-day basis, providing services that contribute to the health, wellbeing and safety of children and vulnerable adults. Such services include teaching people to swim, contributing to road safety issues and dealing with homelessness.

This policy however is specifically designed to help us recognise major problems/concerns and how we can deal with them in an effective, appropriate and timely manner.

This is why it is important for the council to be confident that staff are aware of their responsibilities when working with children and vulnerable adults. This will be achieved in the following ways –

- Carrying out advanced CRB checks under the Vetting and Barring Scheme (VBS) as part of the council's recruitment and selection process for those candidates who meet a specified threshold for working with children and vulnerable adults
- Giving Safer Working Practice guidance to all staff as part of their induction process and on an ongoing basis
- Providing training at an appropriate level
- Providing a mechanism for staff to raise concerns about the conduct of others

What do we mean by Safeguarding Children?

All young people have the right to be safe and protected from harm. Unfortunately, despite such aspirations we recognise that there are people who seek to harm them and so it is important that we do something when we become aware that abuse or neglect is taking place. There are many forms of abuse –

- Physical Abuse
- Emotional Abuse
- Neglect
- Sexual Abuse
- Bullying

What do we mean by Safeguarding Vulnerable Adults?

Safeguarding adults includes areas of work that enable an adult to retain independence, wellbeing and choice and live a life that is free from abuse.

A vulnerable adult is defined as a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or might be unable to take care of themselves or protect themselves against significant harm or exploitation. Once again it is important that we do something when we become aware that abuse or neglect is taking place. The forms of abuse are broadly similar to those associated with children but include others such as financial exploitation.

SAFEGUARDING PROCEDURE

When anyone becomes aware that a child or vulnerable adult might be at risk or suffering from abuse or neglect, they have a duty to do something about it. The diagrams below demonstrate the process for reporting concerns.

In reporting a concern it is important that you record everything in writing, using the template provide under 'Safe Working Practice Guidance' in the safeguarding section on the Intranet. This may involve speaking to the child or vulnerable adult making the accusation. If this is the case make sure you follow the guidance notes attached to the reporting form. Always keep any written information in a secure place and only share it with the people identified in this document.

Concern about a child or young persons safety or welfare

Gather as much information you can regarding the issue/accusation and record any information/actions and keep a safe copy

Pass on your concerns as soon as you are able to any of the following officials, Colin Winterbottom 01200 414588 - 07725602739
Tracy Balko 01200 414484
Rachel Stott 01200 414567 – 07725602725
Michelle Smith 01200 414402 – 07921 473670

They will then contact Children's service, 0845 0530009
Email address; CSC.ACScustomerservices@lancashire.gov.uk
(If you are unable to contact any of the above then you should contact children's services directly, ensuring you inform a named officer as soon as possible

If you feel a child is in immediate and serious danger then you should contact the police immediately 999 informing one of the named officers of your actions

Concern about a vulnerable adults safety or welfare

Follow the same procedure as above but use the following

Concern/allegation concerning a person working with children/vulnerable young people

Other Related Documents/Information

Useful Web Sites

www.lancashire.gov.uk/corporate/web/?siteid=3829&pageid=2074&e=e

www.lancashire.gov.uk/acs/sitessafeguarding/professionals/?siteis=3552&pageid=10778

www.eastlancspct.nhs.uk/about-us/safeguarding/

Additional guidance Notes for Staff

The following guidance notes provide advice to staff who may find themselves dealing with specific issues as a result of their roles and responsibilities. These can be found on the Council's Intranet under 'Safeguarding'

1. Duty of Care
2. Spotting signs of neglect and abuse
3. Confidentiality
4. Power and Position of Trust
5. First Aid administration
6. Photography and Video
7. Transporting children and young people
8. Sharing concerns and recording incidents
9. Social/physical contact
10. One to one situations

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 16

meeting date: 27 MARCH 2012
title: TREASURY MANAGEMENT STRATEGY
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To seek member approval for the Council's Treasury Management Strategy for the 2012/13 financial year.

2 BACKGROUND

- 2.1 The Prudential Code for Capital Finance in Local Authorities (the Code) initially came into effect from 1 April 2004. It was fully revised in 2009 to incorporate changes as a result of the move to International Financial Reporting Standard (IFRS) and has since been updated following regulatory changes resulting from the Localism Bill (2011).
- 2.2 The prudential code requires authorities to self-regulate the affordability, prudence and sustainability of their capital expenditure and borrowing plans, by setting estimates and limits and by publishing actuals, for a range of prudential indicators. It also requires them to ensure their treasury management practices are in accordance with good practice.
- 2.3 The importance of treasury management has increased as a result of the freedoms provided by this Prudential Code. It covers the borrowing and investment activities and the effective management of associated risks. Its activities are strictly regulated by statutory requirements and a professional code of practice (CIPFA Code of Practice on Treasury Management).
- 2.4 A revised Treasury Management Code of Practice was published in November 2009 following the House of Commons Select Committee and Audit Commissions investigations into the collapse of the Icelandic banks.
- 2.5 Key changes included enhanced scrutiny roles for those charged with governance, more transparent reporting requirements and greater emphasis on the requirements for ensuring those charged with governance have sufficient skills to adequately perform their role.
- 2.6 These key changes are included in the following requirements:
- Minimum reporting requirement – the council should receive at least three reports during the year:
 - One prior to the start of the financial year which sets out the strategy on the proposed treasury management activities for the year and a review of the organisations approved treasury management policy statement and practices
 - A mid-year review; and
 - One after the close of the financial year reporting operational activity.
 - Scrutiny – the Authorities strategy should identify the body responsible for the scrutiny of treasury management.

- Training for those charged with governance – The Director of Resources must ensure that appropriate training is available in order for those responsible for treasury management to effectively discharge their duties. This includes those charged with governance and officers.
- Approval – Full Council should approve the treasury management strategy. This committee approves the strategy, which is then formally approved by Full Council.

3 THE TREASURY MANAGEMENT STRATEGY

- 3.1 The treasury management code requires the council to produce a treasury management strategy and prudential indicators on an annual basis. The strategy covers the operation of the treasury function and its likely activities for the forthcoming year, including a number of prudential indicators. The treasury management strategy also includes the Annual Investment Strategy, which is a requirement of the Department for Communities and Local Government (DCLG) Investment Guidance.
- 3.2 A key requirement of the strategy is to explain both the risks and the management of the risks associated with the treasury service.
- 3.3 The attached strategy at Annex 1 covers:
- The current treasury position
 - A review of the prospects for interest rates
 - The Council’s borrowing and debt strategy
 - The Council’s investment strategy
 - Capital programme financing strategy
 - Limits on treasury management activities and prudential indicators
 - Current debt portfolio position
 - Annual investment strategy
- 3.4 Recent months 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 over the past few months. 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.
- 3.5 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.

3.6 This uncertainty reinforces this Council's policy of first and foremost securing the safety of principal amounts invested, with rate of return a secondary consideration. This is achieved by investing only with high rating institutions, particularly the Debt Management Office (DMO). Any investments with the DMO are guaranteed by HM Government. Although rates are somewhat lower than the prevailing market rates, these investments offer the least risk and as such the rate reflects the security of the investment.

3 RECOMMENDED THAT COMMITTEE

3.1 Recommend to Council the Treasury Management Strategy as set out in Annex 1.

SENIOR ACCOUNTANT

PF23-12/LO/AC

19 March 2012

MARCH 2012



RIBBLE VALLEY
BOROUGH COUNCIL

TREASURY MANAGEMENT STRATEGY 2012/13

Key Officer Contacts for the Treasury Management Strategy

Name	Job Title	Email address
Jane Pearson	Director of Resources	jane.pearson@ribblevalley.gov.uk
Lawson Oddie	Head of Financial Services	lawson.oddie@ribblevalley.gov.uk
Trudy Holderness	Senior Accountant	trudy.holderness@ribblevalley.gov.uk

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Introduction

The Council is required to adopt the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (Fully revised second edition 2009, reviewed 2011) and it is a requirement under that Code of Practice to produce an annual strategy report on proposed treasury management activities for the year.

The purpose of the Treasury Strategy is to establish the framework for the effective and efficient management of the Council's treasury management activity, within legislative, regulatory, and best practice regimes, and balancing risk against reward in the best interests of stewardship of the public purse.

Key Principles

The key principles of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes are that:

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
 - Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy, including any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing funds.
 - They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.
-

Setting the Treasury Management Strategy for 2012/13

In setting the Treasury Management Strategy, the Council must have regard for the following factors:

- The current treasury position and debt portfolio position
- The prospects for interest rates
- The approved Capital Programme
- Limits on treasury management activities and prudential indicators

The Current Treasury Position and Debt Portfolio Position

The Public Works Loans Board debt is the largest proportion of the Council's borrowing debt, and is gradually decreasing as payments of the principle are made year by year. It estimated that the outstanding principle on all PWLB loans at 31 March 2012 will be £436K. The bond will remain unchanged until it is repaid and relates to the Sidney Whiteside Charity.

Investments at the end of the 2011/12 financial year are anticipated to be £700K based on current cash flow forecasts. These investments relate to monies placed with institution on our counterparty list.

There was no short term borrowing required at the 31 March 2011, and none is forecast for the 31 March 2012. Only very occasionally has the Council utilised short term borrowing in order to temporarily aid cash flow.

A summary of the Council's treasury position at the end of the previous financial year (2010/11) and that anticipated at the end of 2011/12 is summarised below.

	31 March 2011 Actual £	Actual Average Rate %	31 March 2012 Estimate £	Estimated Average Rate %
Borrowing				
Fixed Rate Debt-PWLB	507,024	4.9	435,916	4.9
Other Debt – Bond	7,500	0.6	7,500	0.6
Total Debt	514,524		443,416	
Investments				
Short Term Investments	-280,000	0.6	-700,000	0.3
Total Investments	-280,000		-700,000	

The Council's current treasury position is not at risk from movements in interest rates as all current PWLB borrowing is on fixed rate. Should the council choose to take any future borrowing on variable rates this would expose the council to a greater risk from any adverse movement in interest rates.

The forecast balance of PWLB debt shown above for the 31 March 2012 will comprise the individual loans as shown in the table below:

Original loan Amount £	Term	Interest Rate	Estimated Principal Outstanding at 31 March 2012 £	Year of Final Repayment
250,000	7 years	4.50% Fixed	89,286	2014/15
250,000	10 years	4.60% Fixed	137,500	2017/18
250,000	15 years	4.75% Fixed	4,130	2022/23
250,000	25 years	4.88% Fixed	205,000	2032/33
Total PWLB			435,916	

The total debt, comprising both PWLB and the bond, is summarised in the table below, showing the estimated debt maturity assuming no further borrowing is undertaken.

ESTIMATED DEBT MATURITY ANALYSIS AS AT 31 MARCH 2012		
Maturity	£'000	%
Under 12 Months	71	16.04
12 Months and Within 24 Months	71	16.04
24 Months and Within 5 Years	124	27.97
5 Years and Within 10 Years	64	14.54
10 Years and Above	113	25.41
Total PWLB and Bond	443	100.00

Prospects for Interest Rates

The Monetary Policy Committee (MPC) of the bank of England takes interest rate decisions. It is the bank's core purpose to maintain the integrity and value of the currency. It pursues this core purpose primarily through the conduct of monetary policy and by setting short term interest rates the bank aims to meet the Government inflation targets.

The government has set the bank's MPC a target for annual inflation rate of the consumer price index (CPI) of 2%.

The MPC can do little to alter the near term path of inflation. Its task is to set policy so that the inflation outlook is close to its target.

The economy was particularly weak in 2011 (Q4), with GDP provisionally estimated to have contracted by 0.2%. Some business survey indicators pointed to a pickup in output at the beginning of 2012 however the quarterly path of output is likely to be volatile through 2012.

GDP growth is likely to remain weak in the near term, before gradually strengthening as household real income recover supported by continued stimulus from monetary policy. The weak external environment, tight credit conditions and continuing fiscal consolidation are all likely to act as brakes on growth. The most significant threat to the domestic recovery stems from developments in the euro area, where there remain concerns about the indebtedness and competitiveness of some member countries.

CPI inflation fell to 4.2% in December, down from 5.2% in September but still above the 2% target. The sharp decline in inflation was largely accounted for by falling contributions from food and petrol prices. But the effects of the past increase in VAT and in the prices of energy and other imported goods and services continue to keep twelve month inflation well above the target.

The MPC forecast is for inflation to continue to decline during 2012 to below the 2% target by the beginning of next year. This partly reflects a further diminution in the upward pressure from past rises in energy and import prices. It also rests on a reduction in domestically generated inflation, as slack in the labour market continues to restrain wage growth, and productivity growth picks up. Further ahead, inflation is projected to rise slowly towards the target, as the margin of economic slack diminishes, and businesses continue to restore profit margins that were squeezed during and after the recession. However there are substantial uncertainties around this likely path of inflation.

At its February meeting, the MPC noted that GDP was likely to remain weak in the near term and to strengthen gradually thereafter. Without further monetary stimulus it was more likely than not that inflation would be below the 2% target in the medium term. The Committee therefore judged it appropriate to increase the size of the asset purchase programme by £50 billion to £325 billion, while maintaining bank rate at 0.5%, in order to meet the 2% CPI inflation target over the medium term. Those assets purchases increase the amount of money in the economy.

The CPI inflation projections in the MPC February inflation report based on the interest rate at 0.50% and £325 billion asset purchases were as follows:

Annual Inflation	
%	
2012 Q1	3.35
2012 Q2	2.97
2012 Q3	2.53
2012 Q4	1.87
2013 Q1	1.61
2013 Q2	1.65
2013 Q3	1.69
2013 Q4	1.77
2014 Q1	1.78

In the period leading up to the MPC's February decision on bank rate, the path implied by forward market interest rates was for Bank Rate to remain at 0.5% until 2013 Q3 and to rise gradually thereafter. The path at the time of the February Bank of England inflation report was, on average, 0.2 percentage points lower than that assumed in the November report. The February projection assumed a total stock of asset purchases of £325 billion compared to £275 billion in the November Projections.

The expected movement in interest rates is shown below:

	Base Rates %	
	November 2011	February 2012
2012 Q1	0.50	0.50
2012 Q2	0.50	0.50
2012 Q3	0.50	0.50
2012 Q4	0.50	0.50
2013 Q1	0.60	0.50
2013 Q2	0.60	0.50
2013 Q3	0.70	0.50
2013 Q4	0.80	0.60
2014 Q1	0.90	0.60
2014 Q2	1.00	0.70
2014 Q3	1.10	0.80
2014 Q4	1.20	0.90
2015 Q1		1.00

Public Works Loan Board interest rates show a similar pattern in the near term.

Fixed Rate %	
1 –2 years	1.32
5 - 6 Years	1.59
20 – 25 Years	3.38

Projection is therefore that interest rates will remain below 1% for the next financial year.

The Approved Capital Programme

The Council has approved a capital programme for the period 2012/13 to 2014/15. Particularly due to the limited resources that the council had available, the capital programme was restricted to the absolute basic requirements to keep the Council's services running over the coming three years.

The use of borrowing to support the capital programme has been kept to an average of £100,000 per annum in line with recommendations from the council's Budget Working Group and as approved by Policy and Finance Committee. This will be met from internal borrowing and it is not forecast that there will be a need for any increase in external borrowing to support the currently approved capital programme.

A summary of the approved capital programme and its financing are provided in the table below

	2012/13 £	2013/14 £	2014/15 £
Estimated Brought forward from previous year	-731,015	-300,635	-312,635
Unsupported Borrowing	-134,860	-86,000	-86,000
Usable Capital Receipts	-25,000	-25,000	-25,000
Disabled Facilities Grants	-109,000	-109,000	-109,000
New Homes Bonus	-107,240	0	0
VAT Shelter	-132,340	0	-163,000
Estimated Total Available Resources	-1,239,455	-520,635	-695,635
Less Total of Approved Capital Schemes	938,820	208,000	395,000
Estimated Resources to carry forward	-300,635	-312,635	-300,635

Limits on Treasury Management Activities and Prudential Indicators

The Local Government Act 2003 required the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

A key indicator of prudence is to ensure that over the medium term net borrowing will only be for a capital purpose and that net external borrowing does not except in the short term, exceed the total capital financing requirement in the preceding year plus the estimates of any additional capital financing requirements for the current and the next two financial years.

The council has agreed a capital programme for the period 2012/13 to 2014/15 financial years, which is the remaining term of the current council. The prudential indicators are prepared based on the approved capital programme. The capital financing requirement for the authority for the current and future years is:

Capital Financing Requirement				
31/03/11 Actual	31/03/12 Revised Estimate	31/03/13 Estimate	31/03/14 Estimate	31/03/15 Estimate
£'000	£'000	£'000	£'000	£'000
4,041	3,989	3,976	3,914	3,852

The authorised limit for our total external debt, gross of investments for the next three financial years is detailed in the table below.

Authorised Limit for External Debt			
	2012/13 £'000	2013/14 £'000	2014/15 £'000
Borrowing	14,420	14,132	14,242
Other Long-Term Liabilities	0	0	0
Total	14,420	14,132	14,242

These limits have been estimated taking into account the authorities current commitments, existing plans and proposals for capital expenditure and financing with sufficient headroom to allow for operational management, for example unusual cash movements.

In addition to the authorised limits for external debt an operational boundary for external debt was approved as part of the annual budget. The proposed operational boundary is based on the same estimates as the authorised limits but without the additional headroom. The operational boundary for our external debt for the next three years is shown in the table below.

Operational Boundary for External Debt			
	2012/13 £'000	2013/14 £'000	2014/15 £'000
Borrowing	5,900	5,547	5,639
Other Long Term Liabilities	0	0	0
Total	5,900	5,547	5,639

The aim of the prudential indicators is to contain the activity of the treasury function within certain limits thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions that could impact negatively on the Council's overall financial position.

The introduction of the prudential code saw the replacement of limits previously imposed with four new prudential indicators.

- 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
- 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.
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.

LIMITS ON INTEREST RATE EXPOSURE			
	2012/13 £000	2013/14 £000	2014/15 £000
Maximum Principal Sums Borrowed >364 days	5,900	5,547	5,639
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	20%	20%	20%

MATURITY STRUCTURE OF BORROWING		
	Upper Limit %	Lower Limit %
Under 12 Months	20	0
12 Months and Within 24 Months	20	0
24 Months and Within 5 Years	40	0
5 Years and Within 10 Years	30	0
10 Years and Above	90	0

Borrowing and Debt Strategy 2012/13 – 2014/15

The introduction of the Prudential Code and uncertainty over future interest rates increases the risks associated with the treasury strategy should the council need to increase its use of short term borrowing or make further longer term borrowing on a variable rate. As a result the Council needs to take a cautious approach to its treasury strategy.

Long term fixed interest rates and base rates are both expected to remain very volatile in the short term and difficult to predict. Taking into account the interest rates shown in the table above, the most appropriate form of borrowing will be undertaken.

We intend to continue the current policy of meeting our long term borrowing requirements from the Public Works Loan Board. 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 will impact on any future decisions that the Council may make to borrow from the PWLB.

We will engage in short-term borrowing from the money market if necessary in order to finance temporary cash deficits, however by managing our cash flow effectively these will be kept to a minimum. Wherever possible, the loan will be taken out for periods of less than 7 days in order to minimise the interest payable.

Investment Strategy 2012/13 – 2014/15

Expectations on shorter-term interest rates, on which investment decisions are based, show likelihood that rates will remain at their current low levels, but again may change sharply as government act to deal with the economy changes. The most appropriate form of investments will be undertaken depending on the prevailing interest rates at the time, taking into account any associated rate risks.

All investments will be made in accordance with the Council's investment policies and prevailing legislation and regulations. The council's investment priorities are the security of capital and the liquidity of its investments

Annual Investment Strategy

Strategy Guidelines

The main principle governing the Council's investment criteria is the security and liquidity of its investments before yield, although the yield or return on the investment will be a consideration, subject to adequate security and liquidity. The Council must ensure:

- It has sufficient liquidity in its movements. For this purpose we will maximise the use of the council's online HSBC facility to place money either overnight or on a short-term basis.
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counter parties with adequate security, and monitoring of their security.

A counter party list is maintained in compliance with this criteria and it will be revised and submitted to Council for approval as necessary. In accordance with new legislation, the proposed criteria detailed above are shown in the following subsections.

Liquidity of Investments

The Council expects to maintain average investment balances of £3.1m. The Council will continue to invest these on the London money market.

Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets and the possibility of loss of principal or investment income is very low. The investments are defined as:

- The UK Government (such as the Debt Management Office, UK Treasury Bills or a gilt with less than one year to maturity).
- A local authority, parish council or community council.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society). These bodies will have a minimum rating as set out in our counter party criteria and as listed in our Treasury Management Policy.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested with these bodies. This criterion is also specified within the approved counter party criteria.

Non-Specified Investments

Non-specified investments include any other type of investments, i.e. not defined as specified above. These are sterling investments with:

- Securities admitted to the Officials List of the Stock Exchange that is guaranteed by the UK Government (such as supranational bonds).
- Gilt edged securities with a maturity of greater than one year.
- Institutions not meeting the basic security requirements under the specified investments.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) for deposits with a maturity of greater than one year.

At the present time the Council has no immediate plans to invest in non-specific investments.

Policy on the Use of Financial Derivatives

Many local authorities have previously made use of financial derivatives embedded in loans and investments both to reduce interest rate risk (i.e. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk. However, previous legislation was understood to prevent the use of such tools where they were not embedded in other instruments.

The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives. The latest CIPFA Code requires local authorities to clearly detail their policy on the use of derivatives in their annual strategy.

The Council has not and does not plan to use derivatives.

The Monitoring of Investment Counter parties

The credit rating of counter parties is monitored monthly. Any counter party failing to meet the criteria will be removed from the list immediately and, if required, new counter parties, which meet the criteria, will be added to the list.

Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. Whilst 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 Policy and Finance Committee. It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets.

The banks the Council use are reviewed annually as part of the Treasury Management policies and practices to take into account their Fitch IBCA long-term and short-term credit rating.

The Council has a policy to only use institutions with a short term Fitch rating of F2 or above

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

Use of External Fund Managers

It is the Council's policy not to use an external fund manager.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 17

meeting date: 27 MARCH 2012
title: TREASURY MANAGEMENT POLICIES AND PRACTICES 2012/13
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To review, approve and adopt the treasury management policy statement and practices for 2012/13.

2 BACKGROUND

- 2.1 In March 2004 members agreed to formally adopt CIPFA's reviewed Code of Practice on Treasury Management. The code was fully revised in 2009 and has since been updated following regulatory changes resulting from the Localism Bill (2011), introducing a 'General Power of Competence' for officers involved in the treasury function and an extension to risk management procedures.

- 2.2 The Treasury Management Policies and Practices document governs the way we manage our investments. It is reviewed on an annual basis to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code. The Code identifies twelve areas where statements of treasury management practices should be developed to implement the full requirements of the Code.

3 TREASURY MANAGEMENT POLICY STATEMENT AND TREASURY MANAGEMENT PRACTICES

- 3.1 The revised Treasury Management Policy Statement and Treasury Management Practices are shown at Annex 1 within the Treasury Management Policies and Practices document.

- 3.2 The Treasury Management Policy Statement follows the wording recommended by the latest edition of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes.

- 3.3 For improved transparency the reviewed Code requires the Council to make reference to their high level approach to borrowing and investments within the Treasury Management Policy Statement. These changes are highlighted in the attached Treasury Management Policies and Practices document.

- 3.4 The Council's Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives, and how it will manage and control those activities

- 3.5 The Treasury Management Practices are split as follows:

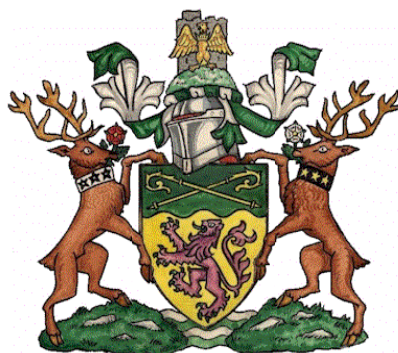
- **Main Principles:** which follow the wording recommended by the revised CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes.
- **Schedules:** which cover the detail of how the Council will apply the Main Principles in carrying out its operational treasury activities.

- 3.6 Through the reviewed Code, the main change that has been made is a requirement for councils to set out their policies with regard to using financial derivatives in their treasury management activities. It is the Council's policy not to use financial derivatives for its short term treasury management activities.
- 3.7 The updated Code also places less focus on minimum credit ratings, instead requiring the council to be more focused on a 'minimum acceptable credit quality'
- 3.8 Since approving the treasury management policy statement and treasury management practices in March 2011, this committee has approved the following amendment, which has been incorporated in the Treasury Management Practices in the attached document.
- Increase the lending limit to £5.0m for Debt Management office only.
- 3.9 A number of other minor updates have also been made to the Schedules within the within the Treasury Management Policies and Practices document and are highlighted accordingly.
- 4 RECOMMENDED THAT COMMITTEE
- 4.1 Review, approve and formally adopt the Treasury Management Policies and Practices document as attached at Annex 1, incorporating the
- Treasury Management Key Principles
 - Treasury Management Policy Statement
 - Treasury Management Clauses
 - Treasury Management Practices and Schedules
- 4.2 Recommend to Council the Treasury Management Policies and Practices 2012/13.

SENIOR ACCOUNTANT

PF22-12/TH/AC
19 March 2012

Ribble Valley Borough Council



Treasury Management Policies and Practices: 2012/2013

Key Officer Contacts for the Treasury Management Practices

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Introduction

Local authorities' treasury management activities are prescribed by statute. The sources of their powers, in England and Wales, are the Local Government Act 2003.

Essentially a local authority in England and Wales may borrow or invest for any purpose relevant to its functions, under any enactment, or '*for the purposes of the prudent management of its financial affairs*'. Under the Act the council is required to determine and keep under review how much money it can afford to borrow.

Local authorities are not constrained by law in the types of investments they can make or the investment instruments they may use. However, they are in practice constrained by Communities and Local Government (DCLG), which encourages forms of investment offering high security and liquidity.

Under the Local Government Act 2003 and also the Local Authorities (Capital Finance and Accounting) Regulations 2003, the Council is required to have regard to the CIPFA Treasury Management Code of Practice (2011) (The Code) and the associated guidance.

Under The Code the Council is required to formally adopt a number of Clauses and also to adopt a formal treasury management policy statement within this document, which defines the policies and objectives of its treasury management activities. Furthermore The Code recommends that the Council follows a set of Treasury Management Practices in carrying out its treasury management activities. All of these items are outlined over the following sections.

Key Principles

The CIPFA Treasury Management Code of Practice (2011) identifies three key principles. In framing these three principles, or recommendations, CIPFA acknowledges the difficulties of striving for effective risk management and control, whilst at the same time pursuing value for money. Even though it dates back to 1991, CIPFA considers that the report by the Treasury and Civil Service Committee of the House of Commons on the BCCI closure is still pertinent, wherein it was stated that:

In balancing risk against return, local authorities should be more concerned to avoid risks than to maximise returns.

KEY PRINCIPLE 1: Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

KEY PRINCIPLE 2: Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy and should ensure that priority is given to security and liquidity when investing funds.

KEY PRINCIPLE 3: They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.

Treasury Management Clauses

Ribble Valley Borough Council will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- suitable treasury management practices (TMPs), setting out the manner in which the council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

The context of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this council. Such amendment will not result in Ribble Valley Borough council materially deviating from the Code's key principles.

The Policy and Finance Committee of Ribble Valley Borough Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs

Ribble Valley Borough Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Policy and Finance Committee and for the execution and administration of treasury management decisions to the Director of Resources who will act in accordance with the council's policy statement and TMPs and CIPFA's *Standard of Professional Practice on Treasury Management*.

Ribble Valley Borough Council nominates the Policy and Finance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Treasury Management Policy Statement

This Council defines its treasury management activities as:

The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risk associated with those activities; and the pursuit of optimum performance consistent with those risks.

This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, **and any financial instruments entered into to manage these risks.**

This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council's investments followed by the yield earned on investments remain important but are secondary considerations.

Treasury Management Practices

CIPFA's Code of Practice on Treasury Management recommends that suitable treasury management practices (TMPs) are maintained, setting out the manner in which the council will seek to achieve the policies, objectives and approach to risk management of its treasury management activities. The code identifies twelve areas where statements of treasury management practices should be developed.

TMP 1: Risk Management

General Statement

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

i) Credit and counterparty risk management

This council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, method and techniques referred to in TMP 4 Approved instruments methods and techniques and listed in the schedule to this document. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financial arrangements.

ii) Liquidity risk management

This council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

This council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

iii) Interest rate risk management

This council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP 6 Reporting requirement and management information arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

It will ensure that any hedging tools such as derivatives are only used for the management of risk and the prudent management of financial affairs and that the policy for the use of derivatives is clearly detailed in the annual strategy.

iv) Exchange rate risk management

It will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

v) Refinancing risk management

This council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over- reliance on any one source of funding if this might jeopardise achievement of the above.

vi) Legal and regulatory risk management

This council will ensure that all its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP 1 (i) Credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the council, particularly with regard to duty of care and fees charged.

This council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

vii) Fraud, error and corruption, and contingency management

This council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

viii) Market risk management

This council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP 2: Performance measurement

This council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document.

TMP 3: Decision-making and analysis

This council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at that time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed in the schedule to this document.

TMP 4: Approved Instruments, method and techniques

This council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 Risk management.

Where this council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual strategy. The organisation will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements

This council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principal on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when this council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with TMP 6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The responsible officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule to this document.

The responsible officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule to this document.

The delegations to the responsible officer in respect of treasury management are set out in the schedule to this document. The responsible officer will fulfil all such responsibilities in accordance with the council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

TMP 6: Reporting requirements and management information arrangements

This council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effect of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum:

The council will receive:

- An annual report on the strategy and plan to be pursued in the coming year.
- A mid-year review.
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the council's treasury management policy statement and TMPs.

The Policy and Finance Committee will receive regular monitoring reports on treasury management activities and risks.

The body responsible for scrutiny, such as audit or scrutiny committee, will have responsibility for the scrutiny of treasury management policies and practices.

The Council will report the treasury management indicators as detailed in the sector specific guidance notes.

The present arrangements and the form of these reports are detailed in the schedule to this document.

TMP 7: Budgeting, accounting and audit arrangements

The responsible officer will prepare, and this council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk Management, TMP 2 Performance measurement, and TMP 4 Approved instruments, methods and techniques. The responsible officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP 6 Reporting requirements and management information arrangements.

This council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TMP 8: Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this council will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the responsible officer will ensure that these are adequate for the purposes of monitoring compliance with TMP 1 Liquidity risk management. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

TMP 9: Money laundering

This council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule to this document.

TMP10: Training and qualifications

This council recognises that the importance of ensuring that all staff involved in the treasury management functions are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements.

The responsible officer will ensure that Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule to this document.

TMP11: Use of external providers

This council recognises that responsibility for treasury management decisions remains with the council at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such services providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review. And it will ensure, where feasible and necessary, that a spread of service providers, is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rest with the responsible officer and details of the current arrangements are set out in the schedule to this document.

TMP12: Corporate governance

This council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

This council has adopted and has implemented the key principles of the Code. This together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

SCHEDULE A

TMP 1: Risk Management

CREDIT RISK

Credit and counter-party risk is the risk of failure by a third party to meet its contractual obligations under an investment or borrowing arrangement, especially one due to deterioration in its creditworthiness, and the resulting detrimental effect on the Council's capital or revenue resources.

Criteria to be used for creating/Managing Approved Counterparty Lists/Limits

As a holder of public funds, the Council recognises its prime responsibility is the security of the principal of the sums which it invests. Consequently, it will optimise returns commensurate with the management of the associated risk.

The Council will determine through its Annual Investment Strategy the credit criteria for various investment instruments.

The credit rating of counter parties is monitored monthly. Any counter party failing to meet the criteria will be removed from the list immediately and, if required, new counter parties, which meet the criteria, will be added to the list.

Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. Whilst 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 Policy and Finance Committee. It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets.

The banks the Council use are reviewed annually as part of the Treasury Management policies and practices to take into account their Fitch IBCA long-term and short-term credit rating.

The Council has a policy to only use institutions with a short term Fitch rating of F2 or above

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

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested with these bodies. This criterion is also specified within the approved counter party criteria.

LIQUIDITY RISK

Liquidity risk is the risk that cash not be available when it is required. This can jeopardise the ability of the Council to carry out its functions or disrupt those functions being carried out in the most cost effective manner. The Council will therefore have sufficient stand by facilities to ensure that there is always sufficient liquidity to deal with unexpected occurrences. It will also seek to ensure that its cash flow forecasting gives as accurate a picture as possible of the changes in income and expenditure and the resulting residual daily cash balances.

Amounts of approved minimum cash balances and short-term investments

It is the intention to minimise cash balances held overnight, and for short-term investments to be made in order to fulfil the projected net cash flow requirement.

- **Standby Facilities:** Any funds held on call notices should not exceed 25% of the total amount invested at any one time and a maximum of £500,000.
- **Bank overdraft arrangements:** The council does not have an agreed overdraft facility and instead relies on the stringent cash flow projections.
- **Short-term borrowing facilities:** Surplus funds shall be temporarily invested via the money market at the best rate of interest available, in accordance with the minimisation of risk of the capital sum. In all investment matters the protection of the capital sum will be of paramount importance and will override the desire to obtain the highest interest rates.

INTEREST RATE RISK

Interest rate risk is the risk that unexpected changes in interest rates expose the Council to greater costs or a shortfall in income than have been budgeted for. The Council will seek to minimise this risk by reviewing forecasts of interest rates. It will also determine appropriate limits and trigger points as set out below. These limits and strategy are set out in the annual Treasury Management Strategy. This strategy will be periodically reviewed during the relevant year to see whether any modifications are required in the light of actual movements in interest rates.

LIMITS ON INTEREST RATE EXPOSURE			
	2012/13 £000	2013/14 £000	2014/15 £000
Maximum Principal Sums Borrowed >364 days	5,900	5,547	5,639
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	20%	20%	20%

EXCHANGE RATE RISK

Exchange rate risk is the risk that unexpected changes in exchange rates expose the Council to greater costs or a shortfall in income than have been budgeted for. The Council has a minimal exposure to exchange rate risk as it does not enter into loans or investments in foreign currency for treasury management purposes.

At this time the Council does not get involved in any other significant foreign currency transactions. These are limited to a very small number of invoice payments.

REFINANCING RISK

Refinancing risk is the risk that when loans cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and revenue, and/or that the terms are inconsistent with prevailing market conditions at the time.

Debt/Other Capital Financing Maturity Profiling, Policies and Practices

The total debt, comprising both PWLB and a bond, is summarised in the table below, showing the estimated debt maturity assuming no further borrowing is undertaken. The council has no current plans to refinance its debt.

Original loan Amount £	Term	Interest Rate	Estimated Principal Outstanding at 31 March 2012 £	Year of Final Repayment
250,000	7 years	4.50% Fixed	89,286	2014/15
250,000	10 years	4.60% Fixed	137,500	2017/18
250,000	15 years	4.75% Fixed	4,130	2022/23
250,000	25 years	4.88% Fixed	205,000	2032/33
		Total PWLB	435,916	

Projected Capital Investment Requirements

The Director of Resources has prepared a three year plan for capital expenditure for the Council.

The use of borrowing to support the capital programme has been kept to an average of £100,000 per annum in line with recommendations from the council's Budget Working Group and as approved by Policy and Finance Committee. This will be met from internal borrowing and it is not forecast that there will be a need for any increase in external borrowing to support the currently approved capital programme.

A summary of the approved capital programme and its financing are provided in the table below

	2012/13 £	2013/14 £	2014/15 £
Estimated Brought forward from previous year	-731,015	-300,635	-312,635
Unsupported Borrowing	-134,860	-86,000	-86,000
Usable Capital Receipts	-25,000	-25,000	-25,000
Disabled Facilities Grants	-109,000	-109,000	-109,000
New Homes Bonus	-107,240	0	0
VAT Shelter	-132,340	0	-163,000
Estimated Total Available Resources	-1,239,455	-520,635	-695,635
Less Total of Approved Capital Schemes	938,820	208,000	395,000
Estimated Resources to carry forward	-300,635	-312,635	-300,635

Policy Concerning Limits on affordability and Revenue Consequences of Capital Financing

The policy is considered on an annual basis. In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this three year period.

The Council will use the definitions provided in the Prudential Code for borrowing, capital expenditure, debt, financing costs, investments, net borrowing, net revenue stream and other long term liabilities.

LEGAL AND REGULATORY RISK

Legal and regulatory risk is the risk that either the Council, or a third party which it is dealing with in its treasury management activities, acts outside of its legal powers or regulatory requirements and as a result the Council incurs loss.

References to Relevant Statutes and Regulations

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council.

Procedures for Evidencing the Organisation's Powers and Authorities to Counterparties/Required Information from Counterparties Concerning Their Powers and Authorities

The Council will provide written evidence of its powers and authorities to any counterparty that requests us to do so. Counterparties will also provide their details to the Authority as a matter of course.

The Council's powers to borrow and invest are contained in legislation.

- Investing: Local Government Act 2003, section 12
- Borrowing: Local Government Act 2003, section 1

Lending shall only be made to counterparties on the Approved Lending list.

Statement on the Council's Political Risks and Management of Same

The Director of Resources shall take appropriate action with the Council, the Chief Executive and the Leader of the Council to respond to and manage appropriately political risks such as change of majority group, leadership in the Council and change of Government.

The monitoring officer is the Head of Legal Services; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

The Chief Financial Officer is the Director of Resources; the duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if they have concerns as to the financial prudence of its actions or its expected financial position.

FRAUD, ERROR AND CORRUPTION, AND CONTINGENCY MANAGEMENT RISK

Fraud, error and corruption risk is the risk that the Council may fail to employ adequate systems, procedures and other arrangements which identify and prevent losses through such occurrences. The Council will therefore:-

- seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

Details of Systems and Procedures to be Followed, Including Internet Services**Authority**

- The Scheme of Delegation to Officers sets out the delegation of duties to officers.
- All loans and investments are approved by the Director of Resources or the Head of Financial Services, or in the absence of both, the Chief Executive.
- Procedures are defined in the Council's Financial Regulations.

Procedures

- Detailed procedure notes are maintained on all of the treasury management functions. The current treasury management and systems document is attached at Annex1.

Investment and borrowing transactions

- A detailed register of all loans and investments is maintained.
- Any transaction discrepancies are immediately reported to the broker or counterparty for resolution.
- All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the broker or counterparty for resolution.

Regularity and security

- Lending is only made to institutions on the Approved List of Counterparties.
- The Cash flow sheets prompt the officer dealing with the daily cash flow that money borrowed or lent is due to be repaid.
- All loans raised and repayments made go directly to and from the bank account of approved counterparties.
- Counterparty limits are set for every institution that the Council invests with.
- There is a separation of duties in the section between dealers and the checking and authorisation of deals.
- The Council's bank holds a list of Council officials who are authorised signatories.
- There is adequate insurance cover for employees involved in treasury management and accounting.

Checks

- The bank reconciliation is carried out monthly from the bank statement to the financial ledger.
- A debt charge/investment income listing is monitored every month against the budget for interest earnings and debt costs.

Calculations

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy manually.

There are also annual Internal Audit reports on the Treasury Management function.

Emergency and Contingency Planning Arrangements

The Council will ensure that written procedures are in place and kept up to date for such situations, for both the Emergency Plan and the Business Continuity Plan.

Insurance Cover Details

The Authority has a Fidelity Guarantee policy with Zurich Municipal Insurance. This provides cover to the value of £2,000,000. This covers the loss of cash by fraud, or the dishonesty of employees dealing with the treasury management function. All other employees are covered to the value of £250,000.

There is also a Business Interruption policy with Zurich Municipal Insurance. This provides cover for the costs of re-establishing the Council's operations in the event of the normal operational facilities being unavailable.

MARKET VALUE OF INVESTMENTS RISK

Market risk is the risk of fluctuations in the principal value of the Council's investments.

Details of Approved Procedures and Limits for Controlling Exposure to Investments Whose Capital Value May Fluctuate (Gilts, CDs, etc)

These are controlled through setting limits on investment instruments where the principal value can fluctuate. The limits would be determined and set through the Annual Investment Strategy, which forms part of the council's Treasury Management Strategy. However, the Council has no investments of this nature at the current time, and has no plans to do so in the near future.

SCHEDULE B

TMP 2: Performance measurement

Evaluation and Review of Treasury Management Decisions

The Council has a number of approaches to evaluating treasury management decisions: -

- **Day to day reviews during the financial year:** *The Director of Resources or the Head of Financial Services review all treasury management activity and decisions on a daily basis. This includes ensuring that any activity operates within the boundaries set out within this document and the Treasury Management Strategy.*
- **Annual Review after the end of the financial year:** *An Annual Treasury Report is submitted to the Policy and Finance Committee each year after the close of the financial year which reviews the performance of the treasury management activity over the financial year. This report includes coverage on the areas of:*
 - Any borrowing requirements in the year
 - Investments made
 - Performance against the Prudential Indicators
- **Quarterly Review:** *The annual review is supplemented by quarterly submissions of monitoring reports to Policy and Finance Committee. These reports include coverage on the areas of:*
 - Any borrowing requirements in the year
 - Investments made to date
 - Performance to date against the Prudential Indicators
 - A review of the approved organisations
- **Comparative reviews:** *When data becomes available, comparative reviews are undertaken to see how the performance of the function compares to other authorities. This is generally a comparison to other Lancashire councils, and the CIPFA Treasury Management statistics published each year for the last complete financial year*

Policy Concerning Methods for Testing Value for Money in Treasury Management

Banking services

Banking services will be retendered or renegotiated every 3 years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends. The current agreement is for the period 2010/13

Money-broking services

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them.

Methods to be Employed for Measuring the Performance of the Organisation's Treasury Management Activities

This will include a comparison with other councils through the CIPFA Prudential Indicators return and also through comparison exercises periodically carried out between Lancashire councils. Additionally performance will be measured by comparing the interest earned on investments against budgeted income.

Benchmarks and Calculation Methodology with regard to risk and return**Debt management**

The council currently have a comparatively low level of debt. This is particularly following the housing stock transfer a number of years ago.

Investment

The performance of investment earnings will be measured against budgeted investment income.

SCHEDULE C

TMP 3: Decision-making and analysis

All executive decisions on capital/project financing, borrowings and investments are delegated to the Director of Resources who will fulfil such responsibility in accordance with the CIPFA Code and Guide and the SORP on Treasury Management.

There shall be no restriction on the sources of borrowing with the exception of any statutory restriction.

The Council may use the following methods of raising capital finance:

- Public Works Loan Board
- Market borrowing
- Leasing
- Issue of local bonds

Records to be kept

The team keep records of all investment and loan transactions. The following records will be retained:

- Daily cash balance forecasts
- Dealing records for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly

Processes to be pursued

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer best value)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average rate, investment returns, etc).

Issues to be addressed.

In respect of every decision made the Council will:

- Above all be clear about the nature and extent of the risks to which it may become exposed
- Be certain about the legality of the decision reached and the nature of the transaction, and that any authority to proceed has been obtained
- Be content that the documentation is adequate both to deliver the organisation's objectives and protect the it's interests, and to deliver good housekeeping
- Ensure that third parties are judged satisfactory in the context of the it's creditworthiness policies, and that limits have not been exceeded
- Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

In respect of borrowing and other funding decisions, the Council will:

- Evaluate the economic and market factors that might influence the manner and timing of any decision
- Consider the merits of alternative forms of funding, including options such as funding from revenue and leasing
- Consider the alternative interest rate bases available, the most appropriate periods to borrow and repayment profiles to use.
- Consider the ongoing revenue liabilities created, and the implications for the council's future plans and budgets.

In respect of investment decisions, the Council will:

- Consider the optimum period, in the light of cash flow availability and prevailing market conditions
- Consider the alternative investment options available.

SCHEDULE D

TMP 4: Approved Instruments, method and techniques

Only the approved organisations for investment shown will be used. The organisations listed may be used for the investment of the Council's surplus funds, subject to the maximum sum being invested at any one time with any one organisation not being exceeded. The decision to vary these limits being delegated to the Director of Resources and, through them, to their staff in exceptional circumstances.

Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets and the possibility of loss of principal or investment income is very low. The investments are defined as:

- The UK Government (such as the Debt Management Office, UK Treasury Bills or a gilt with less than one year to maturity).
- A local authority, parish council or community council.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society). These bodies will have a minimum rating as set out below.

The Monitoring of Investment Counter parties

The credit rating of counter parties is monitored monthly. Any counter party failing to meet the criteria will be removed from the list immediately and, if required, new counter parties, which meet the criteria, will be added to the list.

Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. Whilst 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 Policy and Finance Committee. It has previously been approved that investments with Building Societies be limited to the top 8 building societies based on their total assets.

The banks the Council use are reviewed annually as part of the Treasury Management policies and practices to take into account their Fitch IBCA long-term and short-term credit rating.

The Council has a policy to only use institutions with a short term Fitch rating of F2 or above

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

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested with these bodies. This criterion is also specified within the approved counter party criteria.

The approved organisations for investment are:

Banks

- Santander UK plc
- Barclays Bank
- Bank of Scotland plc
- ~~Bradford and Bingley Bank plc~~

- Co-operative Bank
- HSBC Bank plc
- Lloyds TSB Bank plc
- The Royal Bank of Scotland
- National Westminster Bank
- Northern Rock (Asset Management) plc

Building Societies

- Coventry Building Society
- Leeds Building Society
- Newcastle Building Society
- Nationwide Building Society
- Principality Building Society
- Skipton Building Society
- Yorkshire Building Society
- ~~West Bromwich Building Society~~

Other

- Debt Management Office (*£5.0m maximum*)
- Other Local Authorities in the UK (*limited to 3 months term*)
- Police, Fire Services and Transport Authorities (*limited to 3 months term*)

Non-Specified Investments

Non-specified investments include any other type of investments, i.e. not defined as specified above. These are sterling investments with:

- Securities admitted to the Officials List of the Stock Exchange that is guaranteed by the UK Government (such as supranational bonds).
- Gilt edged securities with a maturity of greater than one year.
- Institutions not meeting the basic security requirements under the specified investments.
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) for deposits with a maturity of greater than one year.

At the present time the Council has no immediate plans to invest in non-specific investments.

Approved Investment Instruments

Only the approved instruments as follows will be used.

- European Atomic Energy Committee
- European Coal and Steel Community
- European Union
- European Investment Bank
- International Finance Corporation
- International Bank for Reconstruction and Development
- International Monetary Fund

- African Development Bank
- Asian Development Bank
- Caribbean Development Bank
- Inter-American Development Bank
- Guaranteed Export Finance Corporation plc

Policy on the Use of Financial Derivatives

Many local authorities have previously made use of financial derivatives embedded in loans and investments both to reduce interest rate risk (i.e. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk. However, previous legislation was understood to prevent the use of such tools where they were not embedded in other instruments.

The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives. The latest CIPFA Code requires local authorities to clearly detail their policy on the use of derivatives in their annual strategy.

The Council has not and does not plan to use derivatives.

Use of External Fund Managers

It is the Council's policy not to use an external fund manager.

SCHEDULE E

TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements

It is essential for the purposes of the effective control and monitoring of the Council's treasury management activities, and for the reduction of the risk of fraud or error, for there to be clarity of treasury management responsibilities.

The principles on which this will be based are a separation of duties between:

- Policy formulation, creation and review;
- Deal transaction and execution;
- Subsequent recording and administration; and
- Audit.

Delegated Powers

With the exception of the approval of the Council's borrowing limits under section 45 of the Local Government and Housing Act 1989, all matters relating to treasury management shall be determined by Policy and Finance Committee.

All executive decisions and actions on borrowing, investment or financing shall be delegated to the Director of Resources and, through them, to their staff. Such decisions and actions to at all times be in accordance with the treasury policy statement.

The delegation of decisions to staff will be regulated by a treasury management systems and procedure manual.

All money in the hands of the Council shall be aggregated for the purpose of treasury management and shall be under the control of the Director of Resources.

In respect of the signing of documents relating to borrowing/investments, this may only be carried out by authorised signatories of the Council.

Responsibilities

The Director of Resources will:

- Ensure compliance by treasury staff with the treasury management policy statement and that the policy statement complies with the law
- Be satisfied that any proposal to vary the treasury policy or practice complies with the law or any code of practice
- Undertake regular reviews of the treasury management function with the Head of Financial Services throughout the year
- Liaise with the Head of Financial Services and treasury management staff on treasury management decisions
- Ensure that there is an adequate internal audit function
- Act as authorised signatory of the Council.

The Director of Resources will also ensure there is proper documentation for all deals and transactions and those procedures exist for the effective transmissions of funds.

The Head of Financial Services will:

- Ensure that the Council's treasury management strategy is reviewed annually.
- Liaise with the Director of Resources and treasury management staff on treasury management decisions
- Manage the overall treasury function
- Ensure that the treasury management systems document is reviewed at least annually
- Ensure that the organisation of the treasury management function is adequate to meet current requirements
- Ensure that staff involved in treasury management are adequately trained
- Ensure that all treasury staff are aware of the Bank of England's current version of the London Code
- Supervise the treasury management staff
- Ensure appropriate segregation of duties
- Ensure elected members receive appropriate reports
- Act as authorised signatory of the Council.

The Senior Accountant will:

- Ensure that day to day activities accord with the treasury management policy statement
- Implement the treasury management systems document
- Ensure compliance with policies, limitations and directions
- Supervise other treasury management staff
- Produce an annual report of the previous year's treasury management operations by 30 September of the following year
- Produce regular performance reports

The Accounting Technician will:

- Maintain cover in the absence of a senior accountant, under the supervision of the Head of Financial Services.

Internal Audit will:

- Review compliance with the approved policy and procedures
- Review division of duties and operational practice
- Assess value for money from treasury activities
- Undertake the probity audit of the treasury function.

Policy and Finance Committee will:

- Approve local borrowing limits
- Approve the treasury management policy
- Receive an annual report on the treasury management strategy before the start of the financial year
- Receive an annual report by 30 September of the following year on the treasury management activity for the proceeding year
- Receive other periodic reports on the treasury management function and its performance

Absence Cover

In the instance of absence from any post holder from the above roles, responsibilities will move to the upwards in the organisation hierarchy, unless such responsibilities are seen as reasonable to be delegated downwards by the Director of Resources or Head of Financial Services.

Dealing Limits

There are no set dealing limits at an individual post level, however all dealing decisions must be first approved with the Director of Resources or Head of Financial Services

Approved Brokers

The Council is in contact with three money brokers who act on our behalf.

Tullet Prebon (uk) Ltd

Sterling International Brokers Ltd

Martin Brokers plc

Policy on Taping of Conversations

Where dealings are undertaken over the telephone, the conversation detailing the dates, amounts and rates of any deal should where possible be recorded in order to avoid a future dispute on the terms that have been agreed.

SCHEDULE F

TMP 6: Reporting requirements and management information arrangements

Annual Review of the Treasury Management Policies and Practices

This document will be reviewed annually and reported Policy and Finance Committee

Annual Treasury Management Strategy

The Treasury Management Strategy sets out the expected treasury activities for the forthcoming financial year. This Strategy will be submitted to the Policy and Finance Committee for approval before the commencement of each financial year.

Prudential Indicators

As required by the Local Government Act 2003 the following indicators must be set:

- Authorised limit for external debt
- Operational boundary for external debt
- Actual external debt as at 31st March of previous year
- Upper limit on fixed interest rate exposures
- Upper limit on variable interest rate exposures
- Upper and lower limits for the maturity structure of borrowing
- Prudential limits for principal sums invested for longer than 364 days

Should it prove necessary to amend these limits, the Director of Resources will submit the changes for approval to Policy and Finance Committee, before submission to Full Council for approval.

Annual Report on Treasury Management Activity

An annual report will be presented to the Policy and Finance Committee at the earliest practicable meeting after the end of the financial year. This report will include the following:

- Any borrowing requirements in the year
- Investments made
- Performance against the Prudential Indicators

Quarterly Review of Treasury Management Activity

The annual review is supplemented by quarterly submissions of monitoring reports to Policy and Finance Committee. These reports include coverage on the areas of:

- Any borrowing requirements in the year
- Investments made to date
- Performance to date against the Prudential Indicators
- A review of the approved organisations

Management Information Reports

Investment income performance is reported to the Corporate Management Team as part of the budget monitoring process

SCHEDULE G

TMP 7: Budgeting, accounting and audit arrangements

Statutory/Regulatory Requirements

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting, which is recognised by statute as representing proper accounting practices. The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services – Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

Accounting Practices and Standards

Due regard is given to the Statements of Recommended Practice and Accounting Standards as they apply to Local Authorities.

List of Information Requirements of External Auditors

Each year the External auditors provide the council with its closedown working paper requirements. These are summarised below.

Investments (short and long term)

- Working paper identifying the analysis of investments held throughout the period reconciled to the balance sheet. This should also show the interest received on each investment and should reconcile to the Comprehensive Income and Expenditure statement.
- Full schedule of short and long term investments including market value and book value. An audit trail to prime documentation should be available.
- Third party confirmation of the closing balance for investments.
- Copies of the Treasury Management and Investment Strategies. Minutes showing approval of movement of investments where applicable and linked to financial instrument disclosures in the financial statements.
- Copy of investment register to show all amounts invested and interest received.
- Copy of working papers showing details of any discounts or premiums arising from early redemption of loans and associated accounting entries. Evidence to support the appropriate discount basis has been used, any statutory overrides and any posting to the Financial Instruments Adjustment Account.

External borrowing and capital controls

- Analysis of loans payable, finance leases and PFI obligations at 31 March reconciled to the financial ledger and statement of accounts.
- Details of transactions >£350k in the year (repayments and new loans). Supporting evidence should be available on demand.
- Working papers showing calculation of Capital Financing Requirement and the link to the Minimum Revenue Provision.

Financial instruments

- Working paper cross referenced to supporting schedules for loans and receivables, available for sale financial assets, unquoted equity investments at cost, financial assets at fair value (which have gone through profit or loss), financial liabilities at amortised costs, financial liabilities at fair value (which have gone through profit or loss) and any impairment losses.
- Evidence of interest rates disclosed in the note, along with total interest income and total interest expense, including any interest accrued on impaired financial assets.
- Evidence of review of departments for Financial Instruments disclosures (Guarantees, embedded derivatives, long term Receivables).

Investments in Icelandic banks

- Disclosure of estimation uncertainty. Working papers to support the basis for management's estimation of recoverability, including legal advice where relevant.

SCHEDULE H

TMP 8: Cash and cash flow management

The cash flow forecast for the council is prepared on a daily basis, with a forward forecast included for anticipated major receipts and payments in order to assist in investment decisions.

Cash Flow Forecast Procedure

A daily record of all inflows/outflows of funds is kept on a cleared balance record sheet. These sheets indicate the expected daily cash flow within the Council's two main bank accounts which are currently held by the branch office of the HSBC Bank plc, 8 Castle Gate, Clitheroe, BB7 1BB. They are known as:

- General account – Council's income
- Disbursement account – Council's expenditure

Each morning the following information on each of the Council's bank accounts can be obtained using the internet from HSBCnet (a separate system guidance note is kept up to date):

- **Cleared balance (Dr/Cr)** *This represents the opening cleared balance on each of the two bank accounts*
- **Auto Credit Clearing (+)** *This represents the direct credits received by the council*
- **Auto Debit Clearing (-)** *This represents the direct debits payable by the council*
- **Float Details (+)** *This represents the cheques received by the council which are to be cleared on that day and the next*
- **Projected Balance at Close (Dr/Cr)** *This represents the estimated cleared closing balance on each of the two bank accounts.*

By combining the information on each of the bank accounts a projected closing balance can be obtained. However, this projected balance figure will exclude any cash payments that have been banked by the council on the previous day. Therefore, the previous day's cash banking can be added to give a more accurate estimate of the Council's bank position. This is obtained from the Council's bank paying-in book, which is kept in the collection office.

An indication of whether a temporary investment or loan needs to be arranged can therefore be obtained from this estimated current bank position if surplus funds or a deficit of funds is indicated.

In addition to the previous day's cash banking, the previous day's cheques banking and details of online and electronic payments can be obtained from the collection office. A record of these figures is kept to indicate the items expected to clear in the bank account for the following two days. It should be noted that it can take up to five working days for cheques to clear.

Direct Credit Receipts

An anticipated direct credit figure can often be identified before the actual receipt date. The reason being that the majority of the direct credits received are generated either by ourselves or by grant payments. They can therefore be entered onto the cleared balance sheets as anticipated income on the particular day they are expected as an anticipated cash inflow. These are also then checked against actual income on the day of receipt.

These figures are generally obtained either from a written confirmation from a government department in respect of grants receivable, such as revenue support grant, or in-house from the sections for whom the credits are being generated. Examples of in-house generated items are processed direct credit receipts for such items as NNDR, council tax and sundry debts:

Direct Debit Payments

In a similar fashion to the direct credit receipts, the majority of the direct debit payments can be anticipated prior to the date of payment. Again, these are either generated by ourselves or are collected by external bodies as per an agreement, such as the LCC precept or PWLB repayments. They can therefore be entered onto the cleared balance sheets as anticipated expenditure on the particular day they become due for payment and can then be checked against the actual payment made. Examples of in-house generated items are salaries and trade creditor payments.

Payment scheduling and agreed terms of trade creditors

The direct credits and debits generated by the council are scheduled to occur on set dates, which move only in respect of bank holidays and weekends.

Direct debit payments

- Salaries and Members allowances: *15th day of the month*
- Trade Creditors: *every Monday*
- Benefit payments: *every Monday*
- Council tax refunds: *every Wednesday*

Direct credit receipts

- Council tax payments: *the last day of the month*
- NNDR payments: *28th of the month*
- Sundry debtor payments: *30th of the month*

The terms of payment for the council's trade creditors are generally within 30 days of receipt of invoice, unless specific terms have otherwise been agreed.

Banking of Funds

All payments to the council must be paid in to the central collection office as soon as possible after receipt. Income is banked by the collection office on a daily basis using a third party contractor.

SCHEDULE I

TMP 9: Money laundering

Procedures for establishing identity/authenticity of lenders

The council does not accept loans from individuals

Methodology for identifying sources of deposits

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be authorised deposit takers under the Financial Services and Markets Act 2000. The FSA register can be accessed through their website on www.fsa.gov.uk.

All transactions will be carried out by CHAPS for making deposits or repaying loans.

Proceeds of Crime Act 2002 (POCA)

Please find below an explanation of the current responsibilities of local authorities:-

The Proceeds of Crime Act 2002 imposes an obligation on any person or other body that undertakes a regulated activity as defined by the Act to report any incident that leads them to suspect that an individual or other body is making transactions with the proceeds of any criminal activity. This is an extension of the obligations previously imposed principally on financial services organisations and employees under money laundering legislation. The money laundering legislation, as reinforced by the FSA guidance, made it clear that an organisation had to nominate a money laundering reporting officer, MLRO, through whom suspicious transactions had to be reported and it was incumbent on the MLRO to decide if these transactions had to be reported to the National Criminal Investigation Service (NCIS), being the police body charged with dealing with these matters.

The question therefore arises as to whether organisations now caught under the provisions of the Proceeds of Crime Act (POCA) have to also nominate a MLRO. There is nothing that states that an MLRO has to be nominated and indeed, a number of organisations that are caught by POCA would not have a direct regulator to notify. However, it is equally clear that such organisations must have a process in place whereby employees can alert management of activities that may fall under POCA and that process must make it clear to whom an internal report has to be made. Therefore, whether called an MLRO or not, under their internal processes organisations need to appoint a senior officer (F.D., Treasurer, Head of Legal) to whom suspicions must be reported and who is responsible for deciding whether to pass the report to NCIS.

NCIS
PO BOX 8000
LONDON SE11 5EN
www.ncis.co.uk

The Principal Auditor is the council's nominated money laundering reporting officer and in their absence, the Head of Financial Services. The council will train the following staff in being diligent to be alert for suspicious transactions: -

- treasury management
- collection office
- other staff as seen appropriate

Suspicious transactions will be investigated as far as the Council is in a position to do so or it is appropriate for the Council to do so, and if doubts remain, these transactions will then be reported to the National Criminal Investigation Service.

SCHEDULE J**TMP10: Training and qualifications**

The Council recognises the importance that all treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Performance Appraisal system which aims to identify the training requirements of any individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Director of Resources together with the Head of Financial Services, to ensure that all staff involved in the service receives the necessary training.

Details of Approved Training Courses

Treasury Management courses run by such bodies as CIPFA, money brokers, or other recognised bodies.

Training and Qualifications of Treasury Staff

- Chief Executive - CIPFA Qualified
- Director of Resources – CIPFA Qualified
- Head of Financial Services – CIPFA Qualified
- Senior Accountant – Part CIPFA Qualified
- Accounting Technician – AAT Qualified

Training of Those Charged with Governance

Training will be provided for those elected members sitting on the Policy and Finance Committee. Detailed explanations of all reports are given, as they are scrutinised by committee, by the Director of Resources in order to ensure full understanding.

SCHEDULE K**TMP11: Use of external providers****Details of Contracts with Service Providers, including Bankers, Brokers, Consultants and Advisers****Bankers**

Name of supplier of service is HSBC Bank plc.

Money-broking services

The Council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers. The brokers used are listed at SCHEDULE E – *TMP 5: Organisation, clarity and segregation of responsibilities, and dealing arrangements*. None of these services are under formal contracts and are used only on an ad-hoc basis.

Consultants'/advisers' services

The Council do not have any contracted services, or use, external consultants or advisers

Procedures and Frequency for Tendering Services**Banking services**

Banking services will be retendered or renegotiated every 3 years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends. The current agreement is for the period 2010/13

SCHEDULE L**TMP12: Corporate governance****List of Documents to be made Available for Public Inspection**

The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions. It has adopted the CIPFA Code of Practice on Treasury management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

The following documents are available for public inspection via Council website or in person:

- Treasury Management Policy Statement
- Treasury Management Strategy
- Annual Treasury Report
- Quarterly Monitoring Report
- Annual Statement of Accounts
- Revenue and Capital Budget
- Agendas and minutes of all committee meetings.

ANNEX 1**Treasury Management and Systems Document****Introduction**

Ribble Valley has adopted a treasury management policy that regulates the framework for the operation, review and performance assessment of the treasury management function. This is in accordance with the Code of Treasury Management for Local Authorities, produced by the Chartered Institute of Public Finance and Accountancy. In accordance with the Code of Practice, a treasury systems document has been prepared as follows.

Cash Flow Record

A daily record of all inflow/outflow of funds is kept on a cleared balance record sheet. These sheets indicate the expected daily cash flow within the Council's two bank accounts which are currently held by the branch office of the HSBC Bank plc, 8 Castle Gate, Clitheroe BB7 1BB. They are known as:

- General account – Council's income
- Disbursement account – Council's expenditure

Each morning, after 9.00am, the following information on each of the Council's bank accounts can be obtained by telephone link via the HSBC.net system (separate system notes kept):

- **Cleared balance (Dr/Cr)** – This represents the opening cleared balance on each of the two bank accounts
- **Auto Credit Clearing (+)** – This represents the direct credits received by Ribble Valley
- **Auto Debit Clearing (-)** – This represents the direct debits payable by Ribble Valley
- **Float Details (+)** – This represents the cheques received by Ribble Valley which are to be cleared on that day and the next
- **Projected Balance at Close (Dr/Cr)** – this represents the estimated cleared closing balance on each of the two bank accounts.

By combining the information on each of the bank accounts a projected closing balance can be obtained. However, this projected balance figure will exclude any cash payments that Ribble Valley has banked on the previous day. Therefore, the previous day's cash banking needs to be added to give a more accurate estimate of the Council's current bank position. This can be obtained from the Council's bank paying-in book, which is kept in the collection office. It is usually available at approximately 9.15am.

An indication of whether a temporary investment or loan needs to be arranged can therefore be obtained from this estimated current bank position if surplus funds or a deficit of funds is indicated.

In addition to the day's cash banking, the previous day's cheques banking and details of online and electronic payments can be obtained from the collection office. A record of these figures are kept to indicate the expected float items figure for the following two days. This can therefore be checked against the actual float details. It should be noted that it takes five working days for cheques to clear.

Direct Credit Receipts

An anticipated direct credit figure can often be identified before the actual receipt date. The reason being that the majority of the direct credits received are generated either by ourselves or by grant payments. They can therefore be entered onto the cleared balance sheets as anticipated income on the particular day they are expected as an anticipated cash inflow. These are also then checked against actual income on the day of receipt.

These figures are generally obtained either from a written confirmation from a government department in respect of grants receivable, such as revenue support grant, or in-house from the sections for whom the credits are being generated. Examples of in-house generated items are processed direct credit receipts for such items as NNDR, council tax and sundry debts:

Direct Debit Payments

In a similar fashion to the direct credit receipts, the majority of the direct debit payments can be anticipated prior to the date of payment. Again, these are either generated by ourselves or are collected by external bodies as per an agreement, such as the LCC precept or PWLB repayments. They can therefore be entered onto the cleared balance sheets as anticipated expenditure on the particular day they become due for payment and can then be checked against the actual payment made. Examples of in-house generated items are salaries and trade creditor payments.

Investments

In accordance with the Council's treasury management policy, any surplus funds identified on the cleared balance sheets can be invested.

The Council is in contact with three money brokers who act on our behalf.

Tullet Prebon (uk) Ltd
Sterling International Brokers Ltd
Martin Brokers plc

The telephone numbers for each, together with a contact name, is kept with the records of current investments in the cash flow file (held by senior accountant).

Method for Making an Investment

Once surplus funds have been identified contact is made with one of the above to arrange for these funds to be invested.

Monies can be invested at the current interest rates applicable at the time, for various periods which range from call, two day notice, seven day notice or for a fixed term to an agreed future date. It is usual that any monies invested with the money market, i.e. via the brokers, is left for a minimum period of a week. In addition to this restriction, any monies placed on the money market can only be recalled as a whole, i.e. the amount invested.

The period of investment will depend on the anticipated cash flow therefore any anticipated income and expenditure should be taken into account before the investment is made. It should be noted that the following notice is required for any repayment of monies:

- **Call:** *same day*
- **Two days:** *two working days notice*
- **Seven days:** *seven working days notice*

- **Fixed:** *as agreed*

Investment with a Broker

Once a broker has been contacted with the details of the amount and notice period we require for the investment it can be placed “under reference” with this broker as well as an alternative broker. The broker that is first to succeed in placing the monies in accordance with our treasury management policy receives our business.

Details of the counter parties to whom our monies are being lent to are given by the broker and recorded on a temporary investment sheet, they include:

- Name of borrower;
- Borrower’s bank details, including sort code and account number;
- Amount to be invested;
- Term of investment, i.e. call, fixed etc; and
- Rate of interest payable by the borrower.

It should be noted that the interest rate is changeable other than fixed term investments.

Once details have been received an electronic fund transfer (EFT) can be made via the HSBC.net system (separate system notes kept). This transfers funds from our disbursements bank account to the counter party’s bank account.

It should be noted that the Head of Financial Services and the Director of Resources (or in their absence the Chief Executive), needs to sign the authorisation sheet obtained from the HSBC.net system.

A “no cheque” creditor voucher should be prepared to charge the investment amount to the general ledger fund.

Details of the investment should also be recorded in the investment register.

Investment with the HSBC Bank Money Market

Another alternative method of placing surplus funds is with the money market team of our bank.

The procedure is as before with the exception that no EFT is necessary to our branch. A transfer is made from our disbursements account by FX system direct on the HSBC.net system. It should be noted that the Head of Financial Services and the Director of Resources (or in their absence the Chief Executive), sign the transaction sheet obtained from the HSBC.net system on the day the transaction takes place.

Investment with other Banking Institutions

Funds can be invested direct with other banking institutions. Funds can only be placed on fixed terms with these institutions. The minimum investment depends on the institution. Once terms have been agreed the procedure for transferring funds is as before.

Repayment of Investments

If the investment needs to be repaid the necessary notice needs to be given to the particular counter party, either direct in the case of investments held by the various banking institutions or via the relevant broker if the investment was made on the money market.

All repayments should be made automatically on the relevant day direct to our general bank account. Investments made with the HSBC Bank can only be returned to the same account from which they were originally debited, i.e. the disbursement account. Therefore, a transfer is required between the two accounts (separate system notes kept). The HSBC.net system

will indicate receipts received during the day by EFT. Therefore this should be checked on a regular basis until all funds have been accounted for.

The repayment date is recorded on the temporary investment sheet and in the investment register. The amount of interest due should be calculated and also entered on these records. Once the monies are credited to our bank account the collection office will credit these amounts to the relevant general ledger account code from the bank statements (they require the split between the principal and interest paid).

The internal audit section requires these completed records on a monthly basis to carry out a relevant audit.

Temporary Loans

If a deficit cash balance is estimated on the cleared balance sheet it may be necessary to arrange for a temporary loan. This will depend on the deficit and the charges made by HSBC on the deficit as the council no longer has an overdraft facility. An agreed maximum limit for short-term borrowing is set annually.

Arranging a Temporary Loan

A temporary loan can be made via our brokers in a similar fashion to making an investment. Details of the counter parties are received by telephone from our brokers who arrange for the monies to be credited direct to our bank account. The branch office will usually confirm when the monies are received, if so requested. The monies will appear on the Council's bank statements and the collection staff will credit the amount to the appropriate general ledger code.

A record of the loan is made on a temporary loan sheet and in the loans register. A confirmation letter is sent direct to the counter parties confirming the loan details.

Repaying a Temporary Loan

Once there are sufficient funds available to repay the loan the relevant broker should be contacted to inform the counter parties of the repayment, as per the original agreed terms of the loan.

Interest due on the loan should be calculated and entered on the temporary loan sheet and in the loans register. The loan, including interest, can then be repaid by electronic fund transfer using the HSBC.net system.

A confirmation letter should be sent direct to the counter parties indicating how interest due was calculated, and a "no cheque" voucher for principal and interest to ensure the amounts are charged to the relevant general ledger account.

Final Estimated Cash Balance

If a temporary investment is placed or repaid, and similarly if a temporary loan is received or repaid, a record of the transaction is made on the cleared balance sheet and added or deducted, as relevant, to give an estimated final cleared balance at the end of the day which can be compared with the opening balance on the following day.

Long-Term Borrowing

Each year the Council's borrowing requirements are analysed and an appropriate borrowing strategy produced. This has to be approved by Policy and Finance Committee at the start of the financial year.

Generally long-term borrowing, which is classified as borrowing for a period of between 1-60 years, is normally only used to finance capital expenditure or replace maturing debt.

The Council currently has a policy that limits the methods of raising finance and an annual maximum limit for long-term borrowing. It is usual that long-term borrowing needs are met from the Public Works Loan Board (PWLB). This has been because PWLB interest rates:

- Are below money market rates;
- Loans are generally available for longer periods; and
- PWLB commission rates are minimal.

PWLB Borrowing

Application for Loans

Applications should be made by telephone on 0845 357 6610 by staff previously nominated by the Director of Resources. The board will normally advance loans within approximately 48 hours of the receipt of a formal application (excluding weekends and bank holidays). Advances are made in accordance with the following timetable:

<u>Agreement of Terms</u>	<u>Advance of Loan</u>
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Monday
Friday	Tuesday

At the time a loan is requested the Council is required to supply the following information:

- The borrowers number (the boards five-figure reference number)
- The answer to the following three questions –
 - i. Is your authority complying with the appropriate requirements of the Boards current circulars?
 - ii. Is this application within the relevant legislation and your council's borrowing powers?
 - iii. By when does the Director of Resources expect the loan to be entirely applied to expenditure? (The answer should be expressed in terms of the number of months from the point of application)
 - Sum required
 - Method of repayment
 - Repayment period
 - Date of advance
 - Type of loan (fixed or variable)
 - Interest payment dates or interest payment period
 - Maturity date (if applicable)
 - The Council's legal borrowing limits and the headroom.
 - All the above information is usually supplied by the Head of Financial Services who generally would make any application.

At the time the loan application is approved the time is agreed and the name of the contact at the board is supplied.

The monies will be credited to the Council's bank account on the appropriate day less a loan fee. A schedule of the loan agreement will also be supplied, the details of which should be checked against the application and then entered onto the spreadsheet of PWLB loans (separate system notes available).

Reconciliation

A monthly reconciliation is made between transactions in the general ledger and transactions recorded in the investment and loans register and PWLB spreadsheet.

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

DECISION

Agenda Item No 18

meeting date: 27 MARCH 2012
title: DISCRETIONARY DISCOUNT POLICY FOR COUNCIL TAX AND BUSINESS RATES
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To agree a policy for discretionary discounts for council tax and business rates.

2 BACKGROUND

2.1 Section 13A of the Local Government Finance Act 1992 was amended by section 76 of the Local Government Act 2003 to allow local authorities to grant discretionary discounts, in relation to Council Tax, as it thinks fit.

2.2 Clause 69 of the Localism Act amends section 47 of the Local Government Finance Act 1988 to allow local authorities to grant discretionary discounts, in relation to Business Rates, again as it thinks fit.

2.3 Local authorities are required to develop their own discretionary discount policies to enable them to exercise these additional powers.

2.4 The Council's current policy where requests have been made for discretionary discounts/relief has always been to consider each case on its own merits.

2.5 Unlike other specific types of discretionary business rate reliefs eg rural rate relief top up where the government stand 75% of the amount awarded and we meet 25% of the cost, in these instances (discretionary discounts) we would be liable for the full amount awarded.

2.6 We would also meet 100% of any discretionary discounts awarded to council taxpayers.

3 ISSUES

3.1 Local authorities are required to develop their own discretionary discount policies to enable them to exercise these additional powers.

3.2 Local authorities must not have a blanket policy not to award discretionary discounts in any circumstances.

3.3 A policy has been drafted and is attached at Annex 1.

4 RECOMMENDATION

4.1 Note the additional powers introduced by the Localism Act.

4.2 Approved the policy attached at Annex 1.

HEAD OF REVENUES AND BENEFITS
PF6-12/ME/AC
12 JANUARY 2012



BOROUGH COUNCIL

Discretionary Council Tax and Business Rates Discounts Policy

Introduction/policy requirements

The Council is aware of its duties and powers in accordance with section 13A of the Local Government Finance Act 1992 as amended by section 76 of the Local Government Act 2003 in respect of Council Tax and Section 47 of the Local Government Finance Act 1988 as amended by Clause 69 of the Localism Act 2011. This Policy sets out how the Council will use its powers and the criteria that must be satisfied.

Section 13A of the Local Government Finance Act 1992 as amended empowers a billing authority to reduce the amount of Council Tax due as it thinks fit. Section 47 of the Local Government Finance Act 1998 as amended empowers a billing authority to reduce the Business Rates due as it thinks fit.

Criteria

Council Tax

Each case will be considered on 'its merits' however all of the following criteria should be met:

- Requests for reductions in Council tax liability will be required in writing from the customer, their advocate/appointee or a recognised third party acting on their behalf.
- There must be evidence of hardship or personal circumstance that justifies a reduction in Council Tax Liability.
- The Council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The Council's finances allow for a reduction to be made.
- In the case of an unoccupied property it must **not** be the sole or main residence of a customer.
- The customer does not have access to other assets that could be realised and used to pay Council tax.
- The customer is not entitled to Council Tax Benefit.
- All other eligible discounts/reliefs have been awarded to the customer.

Business Rates

Each case will be considered on its merits however all of the following criteria should be met:

- Requests for reductions in Business Rates will be required in writing from the ratepayer or a recognised third party acting on their behalf.
- The Council's finances allow for a reduction to be made.
- It must be in the interest of Council Tax payers for the local authority to grant a reduction.
- All other eligible discounts/reliefs have been awarded to the ratepayer.

Responsible officer

The responsibility for making discretionary decisions will rest with the Director of Resources. In exercising this discretion the Director of Resources may decide to refer individual applications to the Council's Policy and Finance Committee.

The Head of Revenues and Benefits will liaise with the applicant in each case to obtain sufficient detail (in line with the criteria as laid out in this policy) in order that a decision can be made.

Decision making process

The decision making process will involve, at stage 1, the Head of Revenues and Benefits making a recommendation to the Director of Resources after considering the application against the criteria set out in this policy, based upon the information provided by the applicant.

Stage 2 the Director of Resources will consider the application and the recommendation of the Head of Revenues and Benefits and determine whether to award a discretionary discount.

Notification of decision

The Council will notify the applicant of its decision within 14 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

Under the Local Government Finance Act 1992, there is no right of appeal against the Council's use of discretionary powers. However, the Council will accept an applicant's request for a re-determination of its decision.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 14 days of receiving a request for a review/re-determination.

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 19

meeting date: 27 MARCH 2012
title: NATIONAL NON DOMESTIC RATES AND COUNCIL TAX WRITE OFFS
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To obtain Committee's approval to write off certain Council Tax and National Non-Domestic Rate debts.

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 BACKGROUND

Council Tax and NNDR

2.1 No specific statute exists to give guidance on the circumstances under which debts, in general, can be written off other than the statute of limitations. Any debt for which recovery action has not been taken within six years still remains but legal action cannot be taken.

2.2 As a matter of law, we are under an obligation to take reasonable steps to collect council tax and business rate debts.

2.3 We do this by various means, including summonses, Attachment of Earnings, Attachment of Benefits, distraint of goods, bankruptcy and winding up, charging orders and committal warrants. However, there are some cases where debtors simply leave their property with arrears and where we have no forwarding address, or are declared bankrupt, are deceased with insufficient funds in the estate or cease trading.

2.4 The onset of the recession has seen more companies get into financial difficulties. Companies that get into the most financial difficulties have to take the administration/receivership options if they are unable to agree terms with their creditors.

3 CURRENT POSITION

3.1 There are now a number of cases where the company has gone bankrupt or into administration therefore we need to write off some Council Tax and NNDR debts.

4 FINANCIAL IMPLICATIONS

- 4.1 Where NNDR debts are written off these costs are met from the national non domestic rate pool and do not fall directly on local council tax payers.
- 4.2 Where council tax debts are written off the costs are borne by the Council Tax Collection Fund and therefore do fall on local council tax payers.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £1,019.93 Council Tax and £31,944.77 of NNDR debts where it has not been possible to collect the amounts due.

REVENUES AND BENEFITS MANAGER

PF17-12/ME/AC
14 March 2012

Policy and Finance Committee

Write Offs - Council Tax

Year	Name	Property	Amount £
LIQUIDATION			
Liquidation is the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed. It is unlikely in this case that, as an unsecured creditor, we will receive any funds but if we do an adjustment will be made to the amount written off.			
2011/12	Townley Arms Limited	Berry Lane, Longridge	1,019.93
TOTAL COUNCIL TAX			1,019.93

Write Offs - NNDR

Year	Name	Property	Amount £
DISSOLVED			
Dissolution is the last stage of liquidation, the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed.			
2009/10			466.17
2010/11	Tinzap Limited, La Taverna	23-25 Old Row, Barrow, Clitheroe	1,288.02
2011/12			434.73
			2,188.92
ADMINISTRATION			
An administration order is a process designed to protect limited companies from their creditors while a debt restructuring plan is carried out and presented to creditors and courts. It is unlikely that in this case that, as an unsecured creditor, we will receive any funds, but if we do an adjustment will be made to the amount written off.			
2010/11	Tessin Limited, Freemason's Arms	8 Vicarage Fold, Wiswell, Clitheroe	1,963.68
2011/12			3,977.35
			5,941.03
LIQUIDATION			
Liquidation is the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed. It is unlikely in this case that, as an unsecured creditor, we will receive any funds but if we do an adjustment will be made to the amount written off.			
2010/11	Inn Take (UK) Ltd, Black Bull Inn	Old Langho, Blackburn	1,939.65
2011/12			2,349.81
			4,289.46
2010/2011	Townley Arms Limited	Berry Lane, Longridge	6,254.18
2011/12			13,271.18
			19,525.36
TOTAL NNDR			31,944.77

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

DECISION

Agenda Item No 20

meeting date: 27 MARCH 2012
title: REFERENCES FROM COMMITTEE – CORE STRATEGY COSTS
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1 PURPOSE

- 1.1 To consider a request from Planning and Development Committee to release funding from the planning earmarked reserve of £37,000 to fund the remaining cost of completing the Council's core strategy.

2 BACKGROUND

- 2.1 Committees manage their services within the agreed budget. Where new schemes or additional spending pressures arise during the year they can request this Committee to provide additional funding (supplementary estimates).

3 PLANNING AND DEVELOPMENT COMMITTEE 15 MARCH 2012

- 3.1 Planning and Development Committee considered a report submitted by the Head of Regeneration and Housing which set out the estimated cost of completing the core strategy including the cost of public examination.
- 3.2 In summary the estimated costs are £86,000 (as set out in the attached report). Available from the residual planning delivery grant monies is £49,000. This leaves a potential shortfall in funding of £37,000.
- 3.3 When the council agreed the 2011/12 revised estimates the planning earmarked reserve fund was increased to £150,000 to cover any costs arising from the core strategy/planning appeals if required.

4 RECOMMENDED THAT COMMITTEE

- 4.1 Agree to the request for additional funding and create a specific budget for the core strategy.
- 4.2 Transfer a sum of £37,000 from the earmarked planning reserve to this budget along with the residual planning delivery grant monies of £49,000.
- 4.3 Ask the Budget Working Group to monitor the core strategy budget until its completion.

DIRECTOR OF RESOURCES

PF20-12/JP/AC
15 MARCH 2012

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 22

meeting date: 27 MARCH 2012
 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 13 March 2012:

	£000	£000	2011/12 % to 13 March	2010/11 % to 13 March
Balance Outstanding 1 April 2011		363		
NNDR amounts due	15,825			
Plus costs	9			
Transitional surcharge	92			
Write ons	27			
	15,953			
Less				
- Transitional relief	-596			
- Exemptions	-492			
- Charity, Rural, Former Agricultural Discretionary Relief	-799			
- Small Business Rate Relief	-1,410			
- Write offs	-135			
- Interest Due	-2			
	-3,434	12,519		
Total amount to recover		12,882		
Less cash received to 13 March		-12,333	95.7	96.5
Amount Outstanding		549	4.3	3.5

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 29 February 2012 is 96.79% compared with 98.03% at 28 February 2011. The fall in the in year collection rate is due to the ending of the temporary increase in the empty property rate exemption threshold and the delay in the inclusion of a large new assessment in the business rate list by the Valuation Office Agency.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 13 March 2012:

	£000	£000	2011/12 % to 13 March	2010/11 % to 13 March
Balance Outstanding 1 April 2011		404		
Council Tax amounts due	36,970			
Plus costs	84			
Transitional relief	2			
Write ons	2			
	37,058			
Less - Exemptions	-1,017			
- Discounts	-2,859			
- Disabled banding reduction	-45			
- Council Tax Benefit	-2,304			
- Write offs	-31			
	-6,256	30,802		
Total amount to recover		31,206		
Less cash received to 13 March		-30,682	98.3	98.5
Amount Outstanding		524	1.7	1.5

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 29 February 2012 is 98.7% compared to 98.8% at 31 28 February 2011.

4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 14 March 2012 is:

	£000	£000	%
Amount Outstanding 1 April 2011		472	
Invoices Raised	1,556		
Plus costs	4		
	1,560		
Less write offs	0	1,560	
Total amount to recover		2,032	
Less cash received to 14 March 2012		1,704	83.86
Amount outstanding		328	

Aged Debtors	000s	%
< 30 days	79	24.09
30 - 59 days	9	2.74
60 - 89 days	4	1.22
90 - 119 days	13	3.96
120 – 149 days	8	2.44
150+ days	215	65.55
	328	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 2011/2012

1 October 2011 – 31 December 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	9.81 days	20 days per IRRV

New claims performance

1 October 2011 – 31 December 2011

Target for year	Actual Performance	Top grade 4 for all LA's 2007/08
19 days	20 days	Under 30 days

6 HOUSING BENEFIT FRAUD

6.1 The following is a summary of fraud investigations for the period 1 October 2011 – 31 December 2011.

Completed fraud investigations	
1 October 2011 – 31 December 2011	38

Average caseload (YTD)	
2011/2012	2,854

Number of investigations per 1,000 caseload		
2011/2012	38/2,854	13.31

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

2011/2012	
Cautions	1
Administrative penalties	0
Successful prosecutions	0
Total	1

Average caseload (YTD)	
2011/2012	2,854

Number of prosecutions/sanctions per 1,000 caseload		
2011/2012	1/2,854	0.35%

6.2 Ribble Valley Borough Council has brought one formal caution for benefit fraud during the period 1 October 2011 – 31 December 2011.

The above offence was a result of a claimant failing to report a change in their circumstances promptly. This created an overpayment in Housing/Council Tax benefit for £1,214.85.

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 October 2011 – 31 December 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.	122.72
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.	21.57

Performance Measure	%
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.	0.66

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

PF15-12/ME/AC
22 March 2012

INFORMATION

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

Agenda Item No 23

meeting date: 27 MARCH 2012
title: CAPITAL PROGRAMME 2012/13
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To inform members of the new schemes which have been approved for inclusion in the capital programme for this committee for the forthcoming financial year (2012/13).

2 BACKGROUND

- 2.1 The Budget Working Group/Capital Working Group was tasked with reviewing the Council's forward capital plans during 2011/12 in order to produce an achievable and affordable programme.
- 2.2 They asked Heads of Services to submit new bids based on thematic groupings with the remit that only essential schemes would be considered. They also agreed that the future programme should correspond with the life of the current Council.
- 2.3 The result of their deliberations is a capital programme for the years 2012/15 totalling £1,541,820 for all committees, which was approved at Full Council on 6 March 2012. The total for this committee is £125,000 over the three year life of the capital programme.

3 SCHEMES APPROVED FOR 2012/13

- 3.1 For this Committee there are 2 schemes that have been approved for the 2012/13 financial year, totalling £125,000. There are no budget transfers from 2011/12. Shown below are the two the schemes that make up this total.

2012/13	
Approved Budget	
£	
<u>IT Services</u>	
Server and Network Infrastructure	25,000
<u>Economic Development</u>	
Economic Development Initiatives	100,000
TOTAL POLICY AND FINANCE COMMITTEE	125,000

- 3.2 Detailed information on the 2 new schemes shown above is provided at Annex 1.
- 3.3 During the closure of our capital accounts there will inevitably be some slippage on schemes in the current year (2011/12). One of the tasks of the Budget Working Group/Capital Working Group will be to review all requests for slippage on capital schemes within the 2011/12 capital programme. A report will be brought to this committee at a future meeting giving details of any approved slippage.

3.4 Responsible officers will complete and update capital monitoring sheets for each scheme, which will be reported quarterly to members to give an indication of progress.

4 CONCLUSION

4.1 This is a smaller capital programme approved than in past years, particularly due to the request from the Budget Working Group/Capital Working Group to Heads of Service for only essential schemes to be put forward.

4.2 Further slippage on other schemes in the 2011/12 capital programme may be approved after the end of the 2011/12 financial year.

LAWSON ODDIE
HEAD OF FINANCIAL SERVICES

PF14-12/NS/AC
7 March 2012

Policy and Finance Committee
New Schemes Approved for the 2012/13 Capital Programme

Server and Network Infrastructure

Service Area: IT Services

Head of Service: Lawson Oddie

Brief Description:

To consolidate and replace the Council's ageing servers and network switches. At the time of replacement, greener, more efficient and up to date technology will be taken full advantage of.

Overriding aim/ambition that the scheme meets:

To be a well managed Council

Improving service performance, efficiency and value for money:

The scheme looks to replace 7 physical servers that the council operate, with 3 greener, more efficient and up to date physical servers. As a consequence the energy consumption, and therefore revenue cost, would fall. Additionally there will be reduced energy consumption by the air conditioning system due to reduced heat output from the servers in the server room. Furthermore, the newer technology that will be used is greener, more efficient and has increased performance and reliability.

Start Date, duration and key milestones:

April 2012:

Financial Implications – CAPITAL:

Breakdown	2012/13 £
Equipment and Materials	25,000

Financial Implications – ANNUAL REVENUE:

Breakdown	£
There will be some energy savings. However, it is difficult to quantify with any accuracy	-

Useful economic life:

5 to 7 years

Impact on the environment:

By using greener technology and reducing the number of physical servers, the effect on the environment from running IT systems at the council will be reduced.

Disposal of the existing servers will be through the company that the Council regularly use, and would abide by the WEEE Directive.

Economic Development Initiatives

Service Area: Regeneration

Head of Service: Colin Hirst

Brief Description:

The project is to establish a general source of pump-priming and pre-investment funding to support the delivery of the Council's economic priorities. The scheme particularly seeks to support our high growth sectors in the provision of land and premises or tourism infrastructure where applicable. The Council needs to be able to develop and respond to initiatives that will support delivery of business growth. In order to develop schemes, this scheme will provide funding to be available to undertake works in areas such as valuation and feasibility assessments, due-diligence, initial planning and design work. Specific funding for land or premises would be the subject of separate bids as required.

Early projects include identifying options to deliver employment land, schemes to support high growth business opportunities and necessary infrastructure to support our rural business base including Tourism.

Overriding aim/ambition that the scheme meets:

To sustain a strong and prosperous Ribble Valley

Improving service performance, efficiency and value for money:

The funding will enable a range of potential projects to be brought forward to address the councils agreed aims and objectives. Specialist resources will be commissioned as necessary or to add to delivery capacity within the Council. In regard to sites it could be anticipated that either an asset would be realised with enhanced value if disposed or would generate an income stream for the Council depending upon the nature of the scheme.

Consultation:

Specific schemes will be subject to member agreement and public consultation as appropriate. Schemes will be consistent with the Councils Economic Development Strategy and Town centre Action Plans that have been subject to consultation. The project will also support delivery of the adopted Community Strategy and the Local Development Framework both of which have the benefit of widespread community consultation.

Start Date, duration and key milestones:

The project will be implemented from April 2012. Key milestones would depend upon the individual projects developed. It is anticipated that Committee would consider an initial report on employment land options by no later than June 2012.

Financial Implications – CAPITAL:

Breakdown	2012/13 £
Total	100,000

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Unspecified - General revenue costs would be anticipated to be contained within existing budgets	-

Useful economic life:

Dependent upon the nature of the project

Impact on the environment:

Schemes would be expected to make a positive contribution to the environment to deliver Sustainable Development.

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 19 DECEMBER 2011

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

1 Apologies

1.1 Cllrs: Knox and Thompson

2 Minutes of Budget Working Group 15 November 2011

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

3 Local Government Grant Settlement 2012/13

3.1 The Director of Resources presented a report to members on the provisional finance settlement for 2012/13. The settlement was in keeping with that proposed in February 2011, as the second year of the two year grant settlement.

3.2 The previously announced one-year-only council tax freeze grant for 2012/13 was discussed by members. This would equate to £78,910 if the council tax level was frozen in 2012/13.

3.3 It was highlighted that the council had no indication of formula grant funding for 2013/14 and beyond. The medium term financial strategy assumes a freeze in the level of formula grant in 2013/14 and onwards, which the Director of Resources suggested may already prove optimistic.

4 Council Tax Freeze Grant

4.1 A copy letter from DCLG, which offered a one-off council tax freeze grant for 2012/13 was circulated to members. The current council tax proposals for the county, fire and police were discussed by members.

4.2 It was indicated that the council should take advantage of the council tax freeze grant for 2012/13. However, as the grant was for one year only, the planned amount to be taken from balances should be reduced by the equivalent amount. This would help ensure the sustainability of the council's base budget in future years.

5 Council Tax Referendums

5.1 A copy letter from DCLG, which set the trigger limits for the holding of referendums on Council Tax levels was circulated to members.

5.2 The letter and the Localism Act were discussed by members.

6 Letter from Huntingdonshire: council tax increases – principles for capping or determining 'excessive' increases

6.1 A letter drafted by Huntingdonshire District Council was circulated to members. The letter challenged the principles for capping or determining excessive council tax increases. Huntingdonshire District Council was encouraging those council's with low tax levels to write to Eric Pickles.

6.2 Members agreed that a letter should be drafted and sent by the Leader.

7 New Homes Bonus

- 7.1 Information was circulated on the provisional settlement for the New Homes Bonus for Year 2. Indications were that the council would receive a year two payment of £105,188, which was in addition to the payment due in respect of year one of £62,046
- 7.2 It was explained that the council had a right to appeal where they were able to demonstrate that property rebandings had adversely affected their allocation for 2012/13. An appeal had been lodged and the council were currently awaiting a response. If approved the appeal had the potential to increase the 2012/13 allocation by a further £16,470.

8 Update from District Council Chief Executive Network Meeting 13 December 2012

- 8.1 The Chief Executive gave a verbal update to members on the above meeting.
- 8.2 The main items from the meeting, which were then discussed by members, were pay award for 2012/13, pensions, the ability to set planning fees locally, the Local Government resource review, Council Tax benefits and Universal Credit.

9 Revenue Budget 2012/13

- 9.1 The Director of Resources updated members on the latest position on the revenue budget for 2012/13. Good progress had been made with indications that the council would be able to set an affordable and achievable budget for 2012/13 having taken in to account the substantial savings proposals that had been approved by Policy and Finance Committee.
- 9.2 It was explained that the budget reports that would be taken to service committees in January incorporated the approved savings.
- 9.3 The Director of Resources highlighted that whilst the 2012/13 budget looked achievable, there was much financial uncertainty for future years. As such, members encouraged the continued review by CMT of vacant posts as they arise.
- 9.4 Cllr Ranson requested that details of car parking income, including fines, be reported to the next meeting of the Budget Working Group.

10 Local Government Resource Review

- 10.1 The Director of Resources circulated an executive summary of the local government resource review (government response) which had been received that day.
- 10.2 The main points from the document were discussed by members. It was highlighted that many of the issues that the council had raised at the consultation stage had been taken in to consideration based on the contents of the executive summary.

11 Date and Time of Next Meeting

- 11.1 Date and time of next meeting was agreed as **Monday 16 January 2012 at 4.30pm in Committee Room 1.**

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: 27TH MARCH 2012

title: PORTAS PILOTS

submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE

principal author: CRAIG MATTHEWS – RURAL REGENERATION OFFICER

1 PURPOSE

1.1 To receive information regarding a bid proposal for Clitheroe Town Centre following the Government's proposals to establish 12 Portas Pilots in UK town centres.

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

2.1 The Portas Review (www.communities.gov.uk/portasreview) published in December 2011, is a report by retail expert and television personality Mary Portas into the future of town centres. The document makes a number of recommendations aimed at identifying what government, local authorities, businesses and communities could do together to promote the development of new models of prosperous and diverse high streets. The Portas report recommended some ideas for reinvigorating town centres, such as encouraging potential entrepreneurs to take up market stalls, supporting imaginative use of empty units and forming Town Teams to run and promote town centres in a similar way to shopping malls are run.

2.2 The Government has stated that it will be responding in full to these in Spring 2012 and in the meantime announced that it is inviting bids to be one of 12 High Street Pilots to 'test proof of concept' and to 'put in place a Town Team' as a central part of any pilot bid.

3 INFORMATION

3.1 Ribble Valley Borough Council is already promoting many of the recommendations contained within the Portas Review along with project work with Clitheroe Chamber of Trade as well as the proposals to create Town Teams. Key elements in the selection of the Portas Pilots will be the strength of local support and the quality of the ideas put forward. The bid documentation states that each town centre could receive up to £100,000 in funding if the bids are successful and money could be used on projects to promote the towns and following discussions with Clitheroe Chamber of Trade representatives it is felt that this will be an excellent opportunity to further explore different ways of encouraging more people to visit Clitheroe town

centre, identify and highlight its potential for improvement and find innovative ideas and projects through a re-established and re-invigorated Clitheroe Town Team.

- 3.2 The Clitheroe Town Team was originally formed following approval of the Clitheroe Town Centre Masterplan by the RVBC Planning & Development Committee on 17 June 2010 to support the promotion and revitalisation of the Town Centre, helping it to fulfil its potential as an attractive, vibrant and successful location. Ribble Valley Borough Council, Ribble Valley Strategic Partnership and Lancashire County Council as well as local businesses and the community such as Clitheroe Chamber of Trade and Clitheroe Civic Society have previously brought together key delivery skills – such as economic development, property, design and project management, as well as developing links with stakeholders outside of the group, including key landowners, developers and businesses that can assist in the delivery, monitoring, reviewing and development of the plan.
- 3.3 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. The new website www.visitclitheroe.co.uk has been launched through a successful funding bid to Lancashire County Council's Revitalising Town Centres project. Following this, a new loyalty card scheme to promote shopping in the town centre is in development to be branded as 'Shop Clitheroe'.
- 3.4 The Clitheroe Food Festival, for example, which attracted thousands of visitors to the town centre in August 2011, was one such event as part of the early wins and following on from its success the next Clitheroe Food Festival is being staged on Saturday 4th August 2012 to showcase the best of Ribble Valley and Lancashire food and drink producers and 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.
- 3.5 To be successful, bids will have to show they have the backing of local residents, traders, businesses and landowners and importantly, they will have to show they can test ideas, be innovative and could be used elsewhere in the country and much of the partnership working that has taken place so far with local stakeholders as outlined in this report are examples of these. The Clitheroe Town Centre bid currently being prepared will highlight the many positive aspects for Clitheroe, as well as it's reputation for partnership working and the opportunities that lie ahead for it's long term economic success.

CHIEF EXECUTIVE

Background Information: -

The Portas Review: www.communities.gov.uk/portasreview

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