

RIBBLE VALLEY BOROUGH COUNCIL

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date: 18 March 2013

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Dear Councillor

The next meeting of the **POLICY AND FINANCE COMMITTEE** is at **6.30pm on TUESDAY, 26 MARCH 2013** 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 29 January and 12 February 2013 – copy enclosed.
3. Declarations of Interest (if any).
4. Public Participation (if any).

DECISION ITEMS

- ✓ 5. Draft Committee Timetable – report of Chief Executive – copy enclosed.
- ✓ 6. Members' Allowance Scheme 2013/14 – report of Director of Resources – copy enclosed.
- ✓ 7. Wiswell/Barrow – Approval of Order and Change to Recommendations on Electoral Arrangements – report of Solicitor – copy enclosed.
- ✓ 8. Allocation for Voluntary Sector Grants 2013/14 – report of Director of Resources – copy enclosed.

- ✓ 9. Longridge CCTV System – report of Director of Community Services – copy enclosed.
- ✓ 10. Treasury Management Strategy – report of Director of Resources – copy enclosed.
- ✓ 11. Village Amenity Grants – Monitoring Report of Chief Executive – copy enclosed.
- ✓ 12. Treasury Management Policies and Practices 2013/14 – report of Director of Resources – copy enclosed.
- ✓ 13. Review of Revenues and Benefits Discretionary Policies – report of Director of Resources – copy enclosed.
- ✓ 14. NNDR Write-offs – report of Director of Resources – copy enclosed.
- ✓ 15. Complaints Procedure Review Working Group – report of Chief Executive – copy enclosed.
- 16. References from Committee (if any).

INFORMATION ITEMS

- ✓ 17. Revenues and Benefits General Report – report of Director of Resources – copy enclosed.
- ✓ 18. Individual Electoral Registration – report of Chief Executive – copy enclosed.
- ✓ 19. Meals on Wheels and Luncheon Clubs Update – report of Director of Resources – copy enclosed.
- ✓ 20. Budget Working Group Minutes – 16 January 2013 and 24 January 2013 – copy enclosed.
- ✓ 21. Reports from Representatives on Outside Bodies (if any).

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

- ✓ 22. NNDR Write-offs – report of Director of Resources – copy enclosed.
- ✓ 23. Banking Arrangements – report of Director of Resources – copy enclosed.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No.

meeting date: 26 MARCH 2013
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 2013/14.

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 Councils 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 14 May 2013.

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

3 ISSUES

3.1 The draft meeting cycle at Appendix A is similar to the cycle for 2012/13 (dates around Easter have moved)

3.2 Consideration has been given to various issues that have resulted in

- the 'summer' cycle being condensed as far as possible into July;
- an additional Planning & Development committee being added on 6 June for consideration of the Core Strategy;

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 2013/14.
- 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.
- Equality & Diversity – 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 14 May 2013.

ADMINISTRATION OFFICER

CHIEF EXECUTIVE

BACKGROUND PAPERS

Meeting Cycle 2012/13

For further information please ask for Olwen Heap, extension 4408

REF: OMH/P&F260313

DRAFT**RIBBLE VALLEY BOROUGH COUNCIL
MEETINGS CYCLE 2013/2014**Effective from
14 May 2013 – 13 May 2014

MEETINGS	Day	TIME	1ST CYCLE 2013	2ND CYCLE 2013	3RD CYCLE 2013	4TH CYCLE 2013	5TH CYCLE 2014	6TH CYCLE 2014
Community Services	Tues	6.30pm	21 May	16 July	17 Sept	5 Nov	14 Jan	11 March
Planning and Development	Thurs	6.30pm	23 May	18 July	19 Sept	7 Nov	16 Jan	13 March
Personnel	Wed	6.30pm	5 June		2 Oct	13 Nov	22 Jan	19 March
Health & Housing	Thurs	6.30pm	30 May	25 July	3 Oct	14 Nov	23 Jan	20 March
Policy & Finance	Tues	6.30pm	11 June	30 July	8 Oct	19 Nov	28Jan/11 Feb	25 March
Parish Liaison	Thurs	6.30pm	20 June		10 Oct	21 Nov	30 Jan	27 March
Licensing	Tues	6.30pm	18 June		24 Sept	26 Nov		18 March
Planning & Development	Thurs	6.30pm	6 + 13 June	15 Aug	17 Oct	12 Dec	13 Feb	10 April
Accounts & Audit	Wed	6.30pm	26 June	28 Aug		27 Nov		2 April
Full Council	Tues	6.30pm	9 July	3 Sept	29 Oct	17 Dec	4 Mar	29 April

2013

Offices Closed

Spring Bank : 27 May 2013
 August Bank : 26 August 2013
 Christmas : 25 - 31 December 2013

Annual Council : 14 May 2013

2014

Offices Closed

New Year : 1 January 2014
 Good Friday : 18 April 2014
 Easter Monday : 21 April 2014
 May Day : 5 May 2014

Annual Council : 13 May 2014

SUBJECT TO FINAL APPROVAL AT THE ANNUAL MEETING ON 14 MAY 2013

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 6

meeting date: 26 MARCH 2013
title: MEMBERS' ALLOWANCES 2013/14
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1 PURPOSE

1.1 To agree the Council's scheme of members' allowances for the 2013/14 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, 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 The basic allowance has increased by 1.8% based on the increase in the minimum wage in October 2012. The new basic allowance is therefore £2,896.

3.3 The new allowances are set out below:

Basic Allowance	£2,896
Special Responsibility Allowances	
Leader of the Council	£14,480
Deputy Leader of the Council	£8,688
Leader of the Opposition	£8,688
Committee Chairmen	£5,792
Planning & Development Committee Chairman	£7,240
Service Committee Vice Chairmen	£2,896
Dependent Carers Allowance	£6.19 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 2013.

4 RISK ASSESSMENT

- Financial – The budget for members allowances for 2013/14 totals £208,040 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 2013/14.

DIRECTOR OF RESOURCES

PF18-13/JP/AC
13 February 2013



***RIBBLE VALLEY
BOROUGH
COUNCIL***

**MEMBERS ALLOWANCE SCHEME
2013/14**
(updated March 2013)

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 1/4/2013 – 31/3/2014 £2,896 per annum (pro rata)

2. Special Responsibility Allowance

The following Special Responsibility Allowances shall be payable:

Responsibility	Annual Amount 1/4/2012 – 31/3/2014* £
Leader	14,480
Deputy Leader	8,688
Shadow Leader	8,688
Committee Chairman – Planning & Development	7,240
Committee Chairmen	5,792
Committee Vice Chairmen	2,896

*These allowances **were** uprated in accordance with the increase in the minimum wage rate in October 2012 to take effect from 1 April 2013

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 £6.19.

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:	2012/13 rates
Not exceeding 999c	46.9p per mile
1000cc and above	52.2p per mile

(to be reviewed wef 1/4/13 in line with NJC Car Allowance Rates)

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	144.73
Elsewhere in the UK	123.00

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	21.68
For a period greater than eight hours but less than twelve hours	36.16
For a period greater than twelve hours	50.65

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: 26 MARCH 2013
title: DIVISION OF WISWELL PARISH COUNCIL
submitted by: MARSHAL SCOTT, CHIEF EXECUTIVE
principal author: DEBBIE NUTTALL, SOLICITOR

1 PURPOSE

- 1.1 To inform Members of progress on this issue and conclusions recently reached by officers.
- 1.2 To seek members' authorisation for the Council's Solicitor, in consultation with its Chief Executive and Leader, to continue progressing this matter.
- 1.3 Relevance to the Council's ambitions and priorities:
 - Community Objectives – Better community governance should facilitate community cohesion and local involvement in local decision-making. This, in turn, should help to make people's lives safer and healthier and enhance the local environment.
 - Corporate Priorities – Improved community governance is linked to the Council's vision of ensuring that the Ribble Valley has vital and vibrant villages, meeting the needs of residents, in that it should help to empower those residents.
 - Other Considerations – This is the next step in achieving a formal split of the Parish. The decision to formally split the Parish was made by this Committee in November 2012 following a Community Governance Review.

2 BACKGROUND

- 2.1 Members will be aware of the long-running history to this matter. This has been set out in the numerous reports to this Committee.
- 2.2 At its meeting on 20 November 2012, this Committee resolved to adopt recommendations concerning the division of the Parish for the reasons proposed and authorise the Council's Solicitor to draft a Reorganisation Order and liaise with others to implement the recommendations.
- 2.3 The Council's Solicitor wishes to update members on progress and seek their views on matters.

3 COMMUNITY GOVERNANCE REVIEW

- 3.1 The recommendations agreed by Committee in November 2012 have been published and residents have been informed of them. This concluded the Review.

4 ISSUES

4.1 There are various documents pertinent to the split of a Parish:

- Central Government Guidance on Community Governance Reviews (“the **Guidance**”);
- Part 4 of the Local Government and Public Involvement in Health Act 2007 (“the **Act**”);
- A Model Order produced by the Department (“the **Model Order**”);
- The Local Government (Parishes and Parish Councils) (England) Regulations 2008 (“the **Parish Regulations**”);
- The Local Government Finance (New Parishes)(England) Regulations 2008/626 (“the **Finance Regulations**”).

4.2 The Council’s Solicitor has been using these documents in order to draft an Order to split the Parish. The draft Order will be based on the Model Order but tailored to the facts. It seeks to take account of the Parish and the Finance Regulations and the Guidance.

4.3 Decisions have been required to finalise the draft Order. These are considered below.

5 ELECTORAL ARRANGEMENTS

5.1 Most of the provisions in the Order have to come into force on 1 April of a given year. This is because precepting authorities can only issue precepts for entire financial years.

5.2 The approved and published recommendations provided that the ordinary elections for each Parish (Barrow and Wiswell) would be held every four years commencing in May 2015. Five parish councillors would be appointed to each Parish (this is the legislative minimum) and neither parish would be divided into wards.

5.3 The Council’s Solicitor has been attempting to ensure that the split takes effect as quickly as possible. April 2013 proved impossible as a start date for the Order, largely due to administrative tasks concerning council tax records. The Council’s Solicitor was therefore aiming for a split commencing in April 2014.

5.4 May 2015 is the date of the scheduled local elections and, as she was tasked with keeping matters as simple and cost effective as possible, the Council’s Solicitor therefore chose this as the proposed election date in the recommendations for the new parish of Barrow and for Wiswell.

5.5 If the arrangements took effect from 1 April 2014, this would have meant a year of interim arrangements (i.e. Barrow created in April 2014, but its first elections not being held until May 2015). The Guidance suggested that this would usually be the case but added that it was possible to change electoral arrangements from the usual cycle.

5.6 The Guidance and the Parish Regulations, however, provide conflicting advice on whether it is possible to change the date of the first election for both the new parish of Barrow and the amended Parish of Wiswell. The Council’s Solicitor has written to the

Department for Communities and Local Government to seek guidance (as they produced both documents). She is still awaiting their response.

- 5.7 As some of the Parish Councillors elected to the existing Wiswell Parish might wish to represent Barrow once it exists, it would clearly be beneficial if the new arrangements could commence at the same time.
- 5.8 The Council's Corporate Management Team discussed this issue briefly and concluded that it would be preferable to keep the election date as 2015. The Council's Solicitor then discussed the matter with the Chief Executive.
- 5.9 Having considered the issues and the pros and cons of various options (including the uncertainty as to whether or not it is legally possible to shorten the terms of existent Wiswell Parish Councillors to allow for a "new start" in 2014 and the incumbent need to amend the recommendations, were elections to be held a year earlier), the Council's officers consider that the most sensible approach would be for the split to take effect from **April 2015**, with elections taking place as scheduled in May 2015. This would result in a relatively short interim period for the new parish of Barrow to "exist" without elected parish councillors.
- 5.10 Whilst this means that the new parish would not "formally" exist for some time, once it does exist it will do in "real terms" with (hopefully) active elected members representing it almost immediately.
- 5.11 In order to ensure that everything is ready for the 2015 split, it is suggested that the existing Parish Council and its clerk, with support from this Council's Solicitor, might prepare for the split by creating "shadow" parish teams. As ward members already exist, this should be relatively easy to achieve.

6. SHADOW CLERK

- 6.1 Once the new Parish of Barrow is formed, it will need an officer - Parish Clerk - to act on its behalf. The newly elected Barrow Parish Councillors will decide who this should be when they first meet and accept their office etc.
- 6.2 Some arrangements will need to be made before this point (e.g. to call that first meeting). It would be preferable for someone to be in place to carry out these tasks in a shadow Clerk role as soon as possible.
- 6.3 The current Clerk for the Wiswell Parish, Mrs Victoria Wilson, has kindly agreed to act as "shadow clerk" for the inchoate Barrow Parish Council, as well as continuing to act as clerk for Wiswell Parish Council. This has clear advantages to all concerned, as, initially at least, there is likely to be some overlap in the work of the Parishes.

7. COUNCIL TAX RECORDS, BUDGET AND PRECEPTS

- 7.1 The Council's Solicitor has used maps, council tax records and electoral roll data to reconcile properties with parishes.
- 7.2 As noted above, the Order will, for most purposes, take effect on 1 April 2015 (pushed back from 1 April 2014 due to the election date issue). This gives the Head of Revenues

and Benefits time to make the necessary changes to council tax records and should ensure that the Council is in a position to assess how many band-D-equivalent properties there would be in each area by October 2014 for the purposes of estimating the precept for the first year of Barrow's existence.

- 7.3 The Finance Regulations provide that the Order must specify a sum for the purposes of its Regulation 3. This sum has not yet been established. The notes to the Model Order explain that: "the article which specifies an amount in relation to the new parish must come into force early so as to enable the billing authority to anticipate a precept equivalent to that amount when making its calculations in accordance with section 32 of the Local Government Finance Act 1992 (see Reg 3 of the Local Government Finance (New Parishes) Regulations 2008."
- 7.4 Regulation 3(1)(b) of the Finance Regulations provides that for the period between the Order being made and the new parish issuing a precept, the Finance Regulations will have application.
- 7.5 Regulation 3(2) provides that this Council has to anticipate the precept for the new parish by taking into account the amount in the Order (i.e. because there is no parish to issue a precept, this figure is used instead).
- 7.6 The new parish, under Regulation 3(4) then has to budget to this figure when making its section 49A 1992 Act calculations. Given this, they should be consulted first.
- 7.7 Regulation 5 of the Finance Regulations applies in relation to the Barrow parish council for the financial year in which it is constituted. It provides that Barrow Parish Council's precept must be issued before October of that year.
- 7.8 The Council's Solicitor has responded to the audit commission who had queries concerning when the new Parish would come into existence. The Council's Solicitor will keep them apprised of key future decisions.

8 ELECTORAL REGISTRATION

- 8.1 The new Parish of Barrow will be formed from polling district "CT1- Barrow". The smaller parish of Wiswell will be formed from polling district "CS – Wiswell".
- 8.2 The Council's Solicitor has checked the records and all properties are "in the right place," i.e. CT1 for Barrow or CS for Wiswell.
- 8.3 As the polling districts are already grouped in line with the new parish boundaries, the administrative task of amending the electoral register should be made easier. The Order delegates responsibility for this to the electoral registration officer.

9. THE PARISH REGULATIONS

- 9.1 Regulation 3 of the Parish Regulations explains that the Regulations make incidental, consequential, transitional and supplementary provisions for the purposes and in consequence of reorganisation orders. They apply in relation to every reorganisation order.

9.2 Regulation 7(2) provides that property in the transferred area automatically passes to the council of the transferee parish. This is subject to Regulation 7(1). This, in turn, provides that nothing in the regulation shall apply to any property held by an authority, as sole trustee, exclusively for charitable purposes.

9.3 The Council's Solicitor and Wiswell's Parish clerk have considered:

- the conveyance for the playing fields;
- the register of title for the land at Trafford Gardens;
- the register of title for the land adjacent to Washbrook Close; and
- a register extract on the Joint burial ground.

None of these properties are held for charitable purposes (the top three do have covenants ensuring the land is used for recreational use only). The transfer of property can therefore be dealt with relatively easily and will be set out in the Order.

9.4 Wiswell Parish Council explained that the title deeds for the Whalley and Wiswell Joint Burial Committee will need revision. The clerk to this burial committee has written to the Council's Solicitor seeking clarification as to whether they will be required to implement any legal work in connection with the split, or whether the Council's solicitor will be undertaking this work. The Council's Solicitor intends to write back to the clerk explaining that they will need to take their own advice but requesting sight of their documents. It may be that any property, rights or liabilities in relation to the area of Barrow covered by the burial committee can be transferred by the order. This, however, will be subject to Regulation 4 of the Parish Regulations which explains that nothing in those Regulations shall affect:

"... (d) any right:

(i) of burial; or

(ii) to construct a grave or vault; or

(iii) to place maintain or inscribe a tombstone or memorial."

9.5 Once these issues have been explored then, in so far as it can do so, the Order will deal with them.

10. AUTHORISATIONS

10.1 Part 3(1) of the Council's Constitution ("the powers and duties of the Council and its committees"), sets out, at Part 2, those matters which are reserved to meetings of the Full Council. These include, at point 9: "Making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or personal Bills."

10.2 As the Order is a piece of local legislation, full Council must sanction the making of it.

- 10.3 This Committee is therefore asked to make decisions as to the content of that Order, but authority for the making of the order would have to be dealt with as a starred item at full council.
- 10.4 The Council's Solicitor intended to bring a draft Order to this committee. Discussions on electoral arrangements have rendered this draft inappropriate.
- 10.5 Provided that this committee is content with a 2015 start date and 2015 first election date, the Council's Solicitor will draft an order on this basis. She will then present this to this committee with a view to the full Council making the order on or before 1 April 2014 (with 1 April 2015 being the date at which most of its provisions will come into force). This will give a year in which shadow arrangements can be established, precedents/standing orders etc. created for the new Parish to use.

11 RISK ASSESSMENT

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

- Resources – work is continuing on progressing this matter.
- Technical, Environmental and Legal – legal and technical implications and concerns are set out in the file on this matter.
- Political – members have already committed the council to splitting the parish.
- Reputation – as above.
- Equality & Diversity – no concerns arising.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve the decisions made to date, in particular, confirm that the Order should (with the exception of some issues, such as electoral arrangements) come into force on 1 April 2015; and
- 5.2 Authorise the Council's Solicitor, in consultation with its Chief Executive and Leader, to continue progressing this matter.

DEBBIE NUTTALL
SOLICITOR

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

Files in Solicitor's room on Wiswell and Barrow split.

For further information please ask for Debbie Nuttall extension 4403.

REF: Debbie Nuttall/P&F/26March 2013

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 26 MARCH 2013
title: VOLUNTARY GRANT APPLICATIONS 2013/14
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 scheme.

2 BACKGROUND

- 2.1 The Council has a number of grant schemes in operation such as recreation grants, culture grants and sports grants, administered by Community Committee. The voluntary organisations grant scheme is administered by Policy and Finance Committee and you agreed that a sub-group of this Committee would consider the applications received and make recommendations regarding the allocation of funds to voluntary organisations on an annual basis.

3 APPLICATION PROCESS

- 3.1 In November 2012, 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 2012. On the request of the budget working group this deadline was extended to the end of February 2013, an invitation to apply was placed on the Council's website and an email sent to all ward Councillors in a bid to more widely advertise the availability of these grants.

- 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 our residents. 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 14 March 2013 Councillors M Ranson, R Sherras and M Robinson met to consider the applications received. Councillor S Hore sent his apologies. Councillor M Robinson replaced Councillor A Knox on the sub-group and declared an interest in the Citizen Advice Bureau and Little Green Bus applications, Councillor Sherras declared an interest in the Gisburn Festival Hall application.

4 ISSUES

- 4.1 The Voluntary Sector Grant Pot available for 2013/14 is £99,090, which is a 2.5% increase on the previous year's budget.
- 4.2 The Council received 17 applications requesting support of £164,172. The sub group considered each application in detail. 10 of the applications were from previous applicants receiving funding in the past year, 3 applications were received from an organisation that had not received funding, and there were 4 new applicants.
- 4.3 The applications as submitted therefore exceeded the funding available by £65,000. However the Director of Resources informed members that this Council had received an extra grant for next year in recognition of the particular difficulties we face in providing services in rural areas. This grant known as Efficiency Support for Services in Sparse Areas (ESSSA) is for £9,901. The Director of Resources suggested that some of the grant applications could be supported from this extra funding because of the nature of their request and it was important in her view to demonstrate that the funding was spent on delivering services to our rural residents.
- 4.4 After careful consideration of all grant applications received, the sub group recommends the grant allocations as shown:

Annex 1 voluntary organisation grants totalling	£89,250
Annex 2 ESSSA funded grants totalling	£9,500
	£98,750

- 4.5 The Working Group further recommended to make the total amount allocated for 2013/14 £100,000 by making a further grant for £1,250 to the Citizens Advice Bureau, increasing their grant to £61,250. This would result in total grants approved as follows:

Annex 1 voluntary organisation grants totalling	£89,250
Extra voluntary grant to CAB	£1,250
Total voluntary grants recommended	£90,500
Annex 2 ESSSA funded grants totalling	£9,500
	£100,000

- 4.6 If Committee accept these recommendations, the Voluntary Grants allocations compare with the budget as follows:

Voluntary Grants budget available	£99,090
Recommended allocations	£90,500
Amount remaining	£8,590

- 4.7 The balance remaining offers the Council flexibility to support any further grant requests which may be received during the course of 2013/14.

4 RECOMMENDATION

- 4.1 Approve the allocation of grants as proposed by the voluntary grant sub-group as set out in the report, totalling £100,000.

SENIOR ACCOUNTANT
PF27-13/TH/AC
14 MARCH 2013

DIRECTOR OF RESOURCES

Background papers:

Voluntary Organisation application forms and supporting documentation – 2013/14

POLICY AND FINANCE COMMITTEE

RECOMMENDED ALLOCATION OF VOLUNTARY ORGANISATION GRANTS 2013/14

Organisation Name	Purpose of the Grant Request	2010/11 Grant Approved £	2011/12 Grant Approved £	2012/13 Grant approved £	Grant Requested for 2013/14 £	Grant Recommended for 2013/14 £	Notes
Goosnargh and Longridge Agricultural Society	<p>We want to expand our horticultural section to enable us to deliver a stronger message about growing your own produce and buying local. We would really like to expand this section to provide more hands on activities and educational activities for local children.</p> <p>We would be promoting the activities, mainly based around growing and awareness of buying local, in the local schools to try and attract Ribble Valley residents and children</p>	£250	£250	£250	£250	£250	
Hodder Valley Agricultural and Horticultural Society Ltd	To help put on the show for 2013	£250	£250	£250	£500	£250	
Chipping Show Ltd	To help put on the show for 2013	£250	£250	£250	£250	£250	

Organisation Name	Purpose of the Grant Request	2010/11 Grant Approved £	2011/12 Grant Approved £	2012/13 Grant approved £	Grant Requested for 2013/14 £	Grant Recommended for 2013/14 £	Notes
Shopmobility and Information Centre	To continue to run this well used service we need funding to help with running costs and a one off payment to buy a trailer that can be used to carry the trampers about the Ribble Valley. We are also looking to operate one day a week at Longridge.	£5,500	£5,000	£5,000	£7,000	£5,000	
East Lancashire Women's Refuge Association	As a contribution to the rest of specialist support services to children and young people living at the refuge, which are designed to help them overcome trauma and come to terms with their experience of violence and abuse	£6,400	£7,000	£2,500	£10,000	£0	Not support at this stage - more information needed about changes to funding arrangements
Carers Link - Hyndburn & Ribble Valley	To contribute towards the costs of developing our new outreach work in the Ribble Valley and supporting new and existing carers. This will include publicity materials, travel expenses and staff time. The grant will benefit carers in the Ribble Valley as well as the people they care for and their families.	£3,000	£3,000	£3,000	£3,000	£2,000	

Organisation Name	Purpose of the Grant Request	2010/11 Grant Approved £	2011/12 Grant Approved £	2012/13 Grant approved £	Grant Requested for 2013/14 £	Grant Recommended for 2013/14 £	Notes
Home-Start Pendle & Ribble Valley	To continue to provide support to vulnerable families in the area and engage with the family as soon as possible to prevent the escalation of needs thus reducing the impact on statutory services.	£3,160	£3,160	£3,200	£5,400	£3,000	
Hyndburn and Ribble Valley CVS	To provide support; to fund drop ins and outreach, so rurally isolated groups have access to funding streams; to complement the one Lancashire programme to ensure improved access to volunteering; to ensure VCFS groups have access to affordable and essential training for staff and volunteers; to ensure a mechanism for meaningful consultation and engagement.	-	-	-	£9,800	£0	Not Previously supported from this grant stream but assisted via Ribble Valley Strategic Partnership second homes monies
Ribble Valley Citizens Advice Bureau	To cover the core running costs of the organisation such as staff salaries, rent, general running costs, information subscriptions and volunteer expenses	£57,000	£60,000	£60,000	£68,200	£60,000	

Organisation Name	Purpose of the Grant Request	2010/11 Grant Approved £	2011/12 Grant Approved £	2012/13 Grant approved £	Grant Requested for 2013/14 £	Grant Recommended for 2013/14 £	Notes
Lancashire Best Kept Village Competition	To finance the cost (In part) of staging the competition in 2013	£750	£750	-	£1,000	£0	Refer to alternative Ribble Valley funding stream
Crossroad Care - Ribble Valley	To assist the organisation with the high travel costs we incur because we cover such a large rural area. The total mileage for the period April to September 2012 has increase to 45,502 miles in spite of continues zoning of travel. The forecast cost of mileage reimbursement for the whole year is likely to be around £36,400.	£13,500	£13,500	£13,500	£20,000	£13,500	
Relate Lancashire	To provide relationship counselling to approx. 30 families, individuals and/or couples who are residents of the borough. Where domestic violence / abuse is disclosed or identified clients would be signposted to our DVA services.	-	-	-	£9,000	£0	

Organisation Name	Purpose of the Grant Request	2010/11 Grant Approved £	2011/12 Grant Approved £	2012/13 Grant approved £	Grant Requested for 2013/14 £	Grant Recommended for 2013/14 £	Notes
Little Green Bus	To support the volunteer car scheme that has proved highly valuable to individuals and to support the setting up of an assisted shopping scheme identified as a need by the LSP.	-	-	£5,000	£7,500	£5,000	
				£3,720 (Held in reserve for mini bus)			
Vitalise	To cover indirect costs associated with running the service	-	-	-	£272	£0	
Bowland Pennine Mountain Rescue	To purchase a multi-purpose vehicle to transport emergency equipment to the scene of an incident, become a communication link and be used to transport injured persons to a safe location.	-	-	-	£3,000	£0	See later - Funding from Efficiency support for services in Sparse Areas Grant
Gisburn Festival Hall	To enable to complete the renovations, by providing for the installation of a full catering kitchen.	-	-	-	£14,000	£0	Funded from Village amenities grants

Organisation Name	Purpose of the Grant Request	2010/11 Grant Approved £	2011/12 Grant Approved £	2012/13 Grant approved £	Grant Requested for 2013/14 £	Grant Recommended for 2013/14 £	Notes
The Grand	To contribute towards the high costs of transporting delegates from schools in Sabden, Dunsop Bridge and slaidburn to workshop style projects aimed at Ribble Valley Primary schools	-	-	-	£5,000	£0	See later - Funding from Efficiency support for services in Sparse Areas Grant
Total					£156,172	£89,250	

NEW GRANTS PROPOSED TO BE FUNDED FROM EFFICIENCY SUPPORT FOR SERVICES IN SPARSE AREAS GRANT (ESSA)

Organisation Name	Purpose of the Grant Request	Grant Recommended for 2013/14 £	Notes
Crossroad Care - Ribble Valley	To assist the organisation with the high travel costs we incur because we cover such a large rural area. The total mileage for the period April to September 2012 has increase to 45,502 miles in spite of continues zoning of travel. The forecast cost of mileage reimbursement for the whole year is likely to be around £36,400.	£1,500	£1,500 additional funding to the grant proposed from Voluntary Grants of £13,500 giving a total of £15,000
Bowland Pennine Mountain Rescue	To purchase a multi-purpose vehicle to transport emergency equipment to the scene of an incident, become a communication link and be used to transport injured persons to a safe location.	£3,000	New grant in recognition of services in rural areas
The Grand	To contribute towards the high costs of transporting delegates from schools in Sabden, Dunsop Bridge and Slaidburn to workshop style projects aimed at Ribble Valley Primary schools	£5,000	New grant in recognition of services in rural areas
		£9,500	

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY, 26 MARCH 2013
 title: LONGRIDGE CCTV SYSTEM
 submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE
 principal author: BILL ALKER – COMMUNITY DEVELOPMENT OFFICER &
 JOHN EDWARDS – ENGINEERING SERVICES MANAGER

1 PURPOSE

- 1.1 To advise Members of the background behind the development of the Longridge CCTV system.
- 1.2 To give a detailed account of how the system is currently working and the costs of making it fully operative.
- 1.3 To seek the views of Members on whether they wish to become involved in making the system fully fit for purpose.
- 1.4 To also look at the possibility and costs involved in transmitting CCTV images from Longridge over to Clitheroe.
- 1.5 Relevance to the Council's ambitions and priorities:
 - Council Ambitions – } One of the Council's key objectives and ambitions is to make Ribble Valley a safer and healthier place to live. By operating a successful CCTV system in Longridge this has
 - Community Objectives – } made people's lives safer from crime and has reassured people living, working or visiting the town.
 - Corporate Priorities – }
 - Other Considerations – }

2 BACKGROUND

- 2.1 When the bid for the current CCTV system for Clitheroe and Whalley was being considered in 2001 it was decided not to include extending the system over to Longridge because of the cost of transmitting the signals between Longridge and the monitoring station in Clitheroe.
- 2.2 Subsequently, as a response to increased crime levels in Longridge, a standalone system was discussed with local businesses, Police, Longridge Town Council and the Ribble Valley Community Safety Partnership.
- 2.3 A five camera system centred around Berry Lane was devised and developed by the Police in conjunction with Channel 6, a local CCTV provider. The cameras were installed in 2006/07 and are located as follows:
 - Former Dog Inn, Berry Lane, Longridge.
 - Durham Ox, Berry Lane, Longridge.
 - Towneley Arms, Berry Lane, Longridge.

- Forest Arms, Berry Lane, Longridge.
 - Hampson's Accountants, Berry Lane, Longridge.
- 2.4 Fund raising was undertaken by the Longridge Community Beat Manager, who obtained contributions from local businesses, Longridge Town Council and the Community Safety Partnership.
 - 2.5 At a later date in 2011 a further two cameras linked to Automatic Number Plate Recognition (ANPR) were installed to cover the Shay Lane Industrial Estate in Longridge.
 - 2.6 The CCTV footage is currently monitored at Longridge Police Station by Police volunteers. This footage is recorded and the system has proved effective in providing evidence for arrests/convictions and prosecutions as a result of the recorded footage.
 - 2.7 The Longridge CCTV system is well thought of by both Longridge people, its businesses have bought into it as has the local Town Council.
 - 2.8 Longridge Town Council, at their meeting on 27 February 2013, have expressed their strong support for an improved CCTV service in the town by whatever technical and operational arrangements are necessary.

3 ISSUES

- 3.1 Since the system's introduction in 2006/07 the Community Safety Partnership (CSP) has provided a small annual maintenance budget of between £2,500 and £3,000 per annum.
- 3.2 The CSP has used the services of Channel 6 who installed the original system for any maintenance requirements.
- 3.3 A recent telephone conversation from Channel 6 has alerted us to a number of faults with the present system.
- 3.4 The dilemma facing the Community Safety Partnership is that they will have very limited funds for 2013/14 and the Borough Council does not have a budget for this system.
- 3.5 It is useful to consider the comments from our contractor who has, over the past 6 years maintained an ageing (6 years old) system on a very tight budget.
- 3.6 Steve Westell from Channel 6 comments as follows:

"At present there are a number of issues which have arisen which we have attempted to rectify unsuccessfully. The current faults that we are aware of are:

- no picture being received from the Durham Ox camera. This was due to failure of the transmitter/receiver link;
- no pan, tilt or zoom control over the Forest Arms camera. Again the fault is due to the transmitter unit;
- We have recently been informed that the camera at the former Dog Inn is now also out of order.

We now need to make some kind of decision but the problem we have is:

- the old equipment is now at a point where we can no longer expect reliable operation in the future;
- there are far superior pieces of wireless equipment available today with a host of manufacturers;
- if we were to ship the old equipment back to Canada for repair, we would still be left with old technology and doubtful reliability.

3.7 Clearly that amount of money required to do a full refurbishment of the current system is substantial and money which is not available in the CSP budget although it may be an option to consider spending money within the present CSP budget to patch up the current system?

3.8 Longridge Members at the last meeting of this Committee in January asked a number of questions about the current CCTV system in Longridge. In summary these were:

1. What would be the cost of making the present standalone system fit for purpose?
2. What would be the cost of transmitting CCTV images over to the monitoring station in Clitheroe?
3. What Police evidence do we have on the effectiveness of the system over the past 6 years of operation?

The RDT wireless equipment in use at Shay Lane (2 years old) is proving to be very reliable and is providing good service to the industrial estate. Ideally we would be looking at replacing all the current equipment with a modern equivalent but cost is the main stumbling block. To replace the old wireless devices we would need to be looking at spending in the region of £4,500 solely for upgrading the wireless connection for each camera. For all five camera systems this would equate to around £22,500.

3.9 Having spoken to various companies and technical experts there are three ways in which images could be transmitted from Longridge to Clitheroe:

- fibre optic;
- broadband;
- wireless.

3.10 We have made enquiries of leading suppliers of each method of transmission and would report as follows:

- Fibre optic: We have received a quote in the region of £30,000 capital plus £1,600 annual rental costs.
- Broadband: The Council's IT Manager has been consulted and recommends a private ADSL connection which would be secure and although cheaper than fibre

optic the costs is as yet unclear, this would partly depend on band width requirements.

- Wireless: We have spoken to a leading supplier who has quoted £22,000 plus VAT for this particular project.

- 3.11 As Members requested I have asked Inspector Graham Lister, the Geographic Inspector for the Ribble Valley to provide details of how Longridge CCTV system works towards combating crime in Longridge Town Centre. His comments are included at Appendix 1 to this report.
- 3.12 Members should also bear in mind the long-term future of Longridge Police Station as a monitoring base.
- 3.13 It should be noted that if images from the Longridge system were transmitted for display or viewing on the Ribble Valley Borough Council's CCTV system, then the control and operation of the Longridge equipment would need to fully comply with the protocols relating to the use of personal data for the RVBC system as agreed with the officer of the Information Commissioner. The proper storage, viewing and control of the data would become the responsibility of Ribble Valley Borough Council officers.
- 3.14 Since the establishment of the Council's own CCTV system many years ago, Members have expressed concern that the Police offer no financial support. A number of approaches have been made (both formal and informal) over that time but the Police have maintained the position that no contribution would be made.
- 3.15 Committee may wish to consider whether the election of a Police and Crime Commissioner for Lancashire might be an opportunity for a change in that policy to be explored, even if the contribution sought were limited to the capital costs involved in making the system fit for purpose.

4 RISK ASSESSMENT

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

- Resources – The key issues are the costs of making the current system viable for future use. Currently there are no readily identifiable funds from either the Borough Council or the Community Safety Partnership and other sources of funding are not immediately apparent. This would also apply to the cost of transmitting images in from Longridge to Clitheroe. No contribution has been proposed by Longridge Town Council and no contribution has been proposed by the Police or by the Police and Crime Commissioner.
- Technical, Environmental and Legal – As can be seen from the report there are key defects with the existing system which would need to be put right for the system to operate effectively.
- Political – No implications identified.
- Reputation – Longridge residents and businesses have enjoyed the security of a standalone CCTV system for the past 6 years, which has made people's lives safer and healthier which is one of the Council's key ambitions.
- Equality & Diversity – No implications identified.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Note the reports of how CCTV system in Longridge has developed over the past 6 years and its current state of health.
- 5.2 Consider whether the Council wishes to make any financial contribution towards the upgrade of the Longridge CCTV system and identify any sources of funding which could help to that end.
- 5.3 Consider whether the Council wishes to pursue the option of transmitting CCTV images from Longridge to Clitheroe.
- 5.4 Consider whether to approach the Police and Crime Commissioner for a contribution for the costs identified.

BILL ALKER
COMMUNITY SAFETY OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

- 1 Various reports to Policy and Finance Committee in 2001 in relation to the creation of A CCTV system in Clitheroe and Whalley.

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

BA/CMS/P&F/26 MARCH 13

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 10

meeting date: 26 MARCH 2013
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 2013/14 financial year.

2 BACKGROUND

- 2.1 The Chartered Institute of Public Finance and Accounting's (CIPFA'S) code of practice on treasury management was derived from regulations issued under the Local Government Act 2003. Under part 1 of which authorities are required to have regard to the Prudential Code. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, Regulation 24 requires authorities to have regard to the code of practice on Treasury Management.
- 2.2 They initially came into effect from 1 April 2004, fully revised in 2009 to incorporate changes as a result of the move to International Reporting Standard (IFRS) and updated in 2011 following the introduction of the Localism Act for English Local Authorities and the introduction of the general Power of Competence.
- 2.3 The Prudential Code plays a key role in Capital Finance in Local Authorities. Its objectives are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable
- 2.4 It 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.
- 2.5 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 the 'CIPFA Code of Practice on Treasury Management'.
- 2.6 Local authority investments were placed under the national spotlight following the collapse of the Icelandic banks, with almost £1bn invested with the affected banks. Both the Audit Commission and the Department for Communities and Local Government (DCLG) Select Committee reviewed local authority investments and reported a number of recommendations. These have been included the 2011 guidance notes.
- 2.7 Essentially, a local authority in England, Wales or Northern Ireland may borrow or invest for any purpose relevant to its functions, under any enactment, or '*for the prudent management of its financial affairs*' Under the 2003 act a local authority 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 may make or investment instruments they may use. However they are in practice

constrained by DCLG guidance which was updated in 2010, which stress the prudent investment strategy of security, liquidity and yield.

- 2.8 The result of this is the requirement for greater scrutiny by ‘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.

3 THE TREASURY MANAGEMENT STRATEGY

- 3.1 Local authorities are required to report on specific elements of their treasury management activities, these are included in the Treasury Management Strategy or in its Treasury Management Policy or Practices and are determined by:

The Treasury Management Code of Practice recommends that local authorities should as a minimum report:-

- Annually on their treasury management strategy and plan, before the start of the year. This committee approves the strategy and is then formally approved by Full Council.
- The position mid-year
- An annual report on the performance, effects of decisions taken and borrowings executed, and circumstances of non-compliance with their policies, after the year-end

The Prudential Code requires local authorities to set and revise prudential indicators and to publish actuals, the key treasury indicators are:-

- Authorised limit for external debt
- Operational boundary for external debt
- Actual external debt

These indicators focus on the position for gross external debt. In the interest of transparency any significant difference between gross and net debt should be clearly placed before councillors as part of their agreement of the annual treasury management.

In addition the following treasury management indicators are required:-

- Upper limits on the proportion of net debt compared to gross debt
- Upper limits on fixed interest and variable interest exposures
- Upper and lower limits to the maturity structure of its borrowing
- Upper limits to the total of principal sums invested longer than 364 days

The 2010 DCLG investment guidance for England and Wales requires authorities to produce an annual investment strategy and policies for managing investments and for giving priority to the security and liquidity of those investments

The requirements of International Financial Reporting Standard's (IFRS's) require local authorities to follow proper accounting practices as specified in the code of practice on Local Authority Accounting and set out the objectives, policies and processes which are in place for managing and controlling risk specifically when entering into derivative contracts with a counterparty in the expectation that the transaction will eliminate or reduce exposure to a particular risk, such as movements in interest rates.

- 3.2 The Councils' Treasury Management Policies and Practices are included in a separate report elsewhere on the agenda.
- 3.3 The Councils' Treasury Management Strategy is attached at Annex 1, it 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 There continues to be repeated uncertainty in the financial markets due to concerns in the Eurozone. 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.
- 3.5 This is achieved by investing only with high rating institutions, including 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. However in recent weeks the credit ratings agency Moody's has downgraded the UK's Government bond rating from Aaa to Aa1, pointing to "continuing weakness in the UK's medium-term growth outlook.
- 4 RECOMMENDED THAT COMMITTEE
- 4.1 Recommend to Council the Treasury Management Strategy as set out in Annex 1.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF20-13/TH/AC
28 February 2013

BACKGROUND PAPERS

The Prudential Code for Capital Finance in Local Authorities - 2011 Edition
Treasury Management in the Public Services - 2011 Edition
Treasury Management in the Public Services - Code of Practice and Cross- Sectoral
Guidance Notes – 2011 Edition
Bank of England Inflation Report – February 2013

MARCH 2013



RIBBLE VALLEY
BOROUGH COUNCIL

TREASURY MANAGEMENT STRATEGY 2013/14

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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 2011 edition 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 2013/14

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 2013 will be £365k. The bond will remain unchanged until it is repaid and relates to the Sidney Whiteside Charity.

Investments at the end of the 2012/13 financial year are anticipated to be £1900k 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 2012, and none is forecast for the 31 March 2013. 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 2011/12 and that anticipated at the end of 2012/13 is summarised below.

	31 March 2012 Actual £	Actual Average Rate %	31 March 2013 Estimate £	Estimated Average Rate %
Borrowing				
Fixed Rate Debt-PWLB	435,916	4.9	364,808	4.9
Other Debt – Bond	7,500	0.3	7,500	0.3
Total Debt	443,416		372,308	
Investments				
Short Term Investments	-1,900,000	0.3	-1,900,000	0.3
Total Investments	-1,900,000		-1,900,000	
Net External Debt	-1,456,584		-1,527,692	

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 2013 will comprise the individual loans as shown in the table below:

Original loan Amount £	Term	Interest Rate	Estimated Principal Outstanding at 31 March 2013 £	Year of Final Repayment
250,000	7 years	4.50% Fixed	53,571	2014/15
250,000	10 years	4.60% Fixed	112,500	2017/18
250,000	15 years	4.75% Fixed	3,737	2022/23
250,000	25 years	4.88% Fixed	195,000	2032/33
		Total PWLB	364,808	

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 2013		
Maturity	£'000	%
Under 12 Months	71	19.10
12 Months and Within 24 Months	53	14.30
24 Months and Within 5 Years	94	25.16
5 Years and Within 10 Years	52	13.91
10 Years and Above	102	27.53
Total PWLB and Bond	372	100.00

Prospects for Interest Rates

The Monetary Policy Committee (MPC) of the bank of England takes interest rate decisions. It is the banks' 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 onset of the 2007/08 financial crisis triggered an abrupt and substantial, reassessment of future economic prospects, both at home and overseas. The implication of the reassessment was a downward revision in future income expectations, a generalised increase in global uncertainty, and solvency concerns in the financial sector.

Since the sharp slow-down of 2008/09, the recovery in output has been markedly weaker than in a typical business cycle recovery, with GDP forecast below its pre-crisis level until 2015.

Some of the biggest risks to growth stem from overseas. Although recent euro-area policy initiatives have probably lessened the chance of indebtedness and competitiveness occurring, this threat remains.

Domestically, the strength and sustainability of the recovery will rest on: the extent to which households and companies have already adjusted to the impact of the financial crisis; the degree to which productivity and expectations of future supply pick up alongside demand; the impact of fiscal consolidation; and on whether the recent easing in credit conditions continues and prompts higher lending to the real economy.

CPI inflation was 2.7% in December, up from 2.2% in September. The rise primarily reflects increases in university tuition fees and retail energy bills. Regulatory decisions directly affect the prices for some items, such as university tuition fees, and are a key determinant of costs faced by some companies, such as the distribution fees to domestic energy suppliers. The contribution to inflation of such administered and regulated prices rose to around 1 percentage point at the end of 2012.

Unemployment has edged lower, although it is still elevated. Labour market slack continues to suppress pay growth but weak productivity growth means that companies' unit labour costs have continued to rise.

The MPC judgement of the outlook for CPI inflation is that it is likely to rise further in the near term and remain above 2% for the next two years, before falling back to the target thereafter, reflecting sterling's recent depreciation and the persistent contribution from administered and regulated prices.

	Annual Inflation %
2013 Q1	2.73
2013 Q2	2.92
2013 Q3	3.22
2013 Q4	3.13
2014 Q1	2.95
2014 Q2	2.82
2014 Q3	2.53
2014 Q4	2.41
2015 Q1	2.32
2015 Q2	2.23
2015 Q3	2.13
2015 Q4	2.01
2016 Q1	1.96

The projections for CPI inflation are based on the current bank base rate of 0.50% and the assumption that the total stock of assets purchases financed by the creation of central bank reserves remains at £375 billion throughout the forecast period.

The path for bank rate at the time of the Bank of England February Inflation report was, on average, less than 0.1% higher than assumed in its November report.

	Bank Rates %	
	November 2012	February 2013
2013 Q1	0.40	0.40
2013 Q2	0.30	0.40
2013 Q3	0.30	0.40
2013 Q4	0.30	0.40
2014 Q1	0.30	0.40
2014 Q2	0.40	0.40
2014 Q3	0.40	0.50
2014 Q4	0.50	0.50
2015 Q1	0.50	0.60
2015 Q2	0.60	0.60
2015 Q3	0.70	0.70
2015 Q4	0.80	0.80
2016 Q1		0.90

Historically, local authorities have satisfied the bulk of their borrowing needs from the Public Works Loan Board (PWLB). The October 2010 comprehensive spending review increased the PWLB rate to 100 basis points (1%) above the gilt yield. In the Chancellor's Budget in March 2012 councils that provide 'improved information and transparency' on 'borrowing and associated capital spending plans' would be eligible for a certainty rate discount of 20 basis points below the standard rate.

Ribble Valley Borough Council are currently listed as an eligible Council until 31 October 2013, by which time a further return will have to be made and a new eligibility list published for the following 12 months.

PWLB rates show a similar pattern in the near term to bank rates.

	Fixed Rate %	Certainty Rate %
1 –2 years	1.18	0.94
5 - 6 Years	1.49	1.19
20 – 25 Years	3.44	2.75

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 2013/14 to 2015/16.

The use of borrowing to support the capital programme has been kept to £84,000 in 2013/14 only 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

	2013/14 £	2014/15 £	2015/16 £
<i>Estimated Resources Brought Forward</i>	-631,227	-318,423	-318,423
Unsupported Borrowing	-84,000	0	0
Revenue – Earmarked Reserves	-24,000	-11,000	-349,000
Disabled Facilities Grants - DCLG	-109,000	-109,000	-109,000
New Homes Bonus	0	0	-48,000
Retention of Weekly Collection of Residual Waste – DCLG	-318,000	-210,000	0
External Funding and Revenue Contributions	0	0	-67,000
S106 Agreements	-40,000	-40,000	-40,000
VAT Shelter	-146,816	-75,000	-75,000
<i>Estimated Total Available Resources</i>	-1,353,043	-763,423	-1,006,423
Less Total of Approved Capital Programme	1,034,620	445,000	688,000
<i>Estimated Resources to Carry Forward</i>	-318,423	-318,423	-318,423

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 2013/14 to 2015/16 financial years. 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				
31/03/12 Actual	31/03/13 Revised Estimate	31/03/14 Estimate	31/03/15 Estimate	31/03/16 Estimate
£'000	£'000	£'000	£'000	£'000
3,897	3,928	3,867	3,723	3,583

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			
	2013/14 £'000	2014/15 £'000	2015/16 £'000
Borrowing	12,791	13,042	12,735
Other Long-Term Liabilities	0	0	0
Total	12,791	13,042	12,735

These limits have been estimated taking into account the Council's 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			
	2013/14 £'000	2014/15 £'000	2015/16 £'000
Borrowing	5,031	4,936	4,482
Other Long Term Liabilities	0	0	0
Total	5,031	4,936	4,482

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			
	2013/14 £'000	2014/15 £'000	2015/16 £'000
Maximum Principal Sums Borrowed >364 days	5,031	4,936	4,482
Limits on fixed interest rates	100%	100%	100%
Limits on variable interest rates	20%	20%	20%
Maximum Principal Sums Invested >364 days	0	0	0

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 2013/14 – 2015/16

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.

The October 2010 comprehensive spending review increased the PWLB rate to 100 basis points (1%) above the gilt yield. In the Chancellor's Budget in March 2012 councils that provide 'improved information and transparency' on 'borrowing and associated capital spending plans' would be eligible for a certainty rate discount of 20 basis points below the standard rate.

Ribble Valley Borough Council are currently listed as an eligible Council until 31 October 2013, by which time we intend to submit a further return to continue as an eligible body.

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 2013/14 – 2015/16

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 in accordance with the Council's investment policies' and prevailing legislations and regulations.

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 gilts 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 Official 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.

The banks and building societies 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 AND FINANCE COMMITTEE

Agenda Item No.

meeting date: 26 MARCH 2013
title: MONITORING REPORT ON VILLAGE AMENITIES GRANTS
submitted by: CHIEF EXECUTIVE
principal author: MELISSA THORPE

1 PURPOSE

1.1 This report provides Committee with a progress report on the projects approved through the village amenities grant to allow further consideration of any underspend that may occur.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – The grant programme will support a broad range of community objectives set out in the Community Strategy.
- Corporate Priorities – This grant programme supports the Council's priorities to sustain a strong and prosperous Ribble Valley, to help make peoples lives safer and healthier and to protect and enhance the existing environmental quality of the area.
- Other Considerations – N/A

2 BACKGROUND

2.1 A report was taken to Committee on 25 September 2012 to provide information on the allocation of village amenities grants made available through the Council Tax income on Second Homes/Performance Reward Grant Monies.

2.2 21 applications were approved which totalled £116,224.

2.3 It was agreed that projects progress and evidence of matched funding will be monitored on a regular basis and reported back to committee.

3 ISSUES

3.1 Members will recall that the deadline for projects to claim the grant funding offered to them was April 2013.

3.2 At the time of this report being written most projects have provided anticipated end dates prior to or by the end of April 2013. However, given the individual nature of some of these projects there is always the possibility that the anticipated completion date will not be met and they will subsequently be looking at claiming funding beyond April 2013.

3.3 Details of progress of individual projects are contained in Appendix 1. Of the £116,224 offered to projects through this grant scheme £40,050 has been claimed to date thus leaving a potential slippage of £76,174 beyond April 2013.

3.4 In some cases projects have required phased payments to ensure delivery. This has been agreed in all relevant cases and part invoices accepted in accordance with the Council's financial regulations and terms of the grant to help projects wherever possible.

4 RISK ASSESSMENT

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

- Resources – Funding for the award of grants is in place. There is an ongoing staff resource needed to ensure proper use of the grant scheme.
- Technical, Environmental and Legal – Issues here depend on the particular nature of each grant.
- Political – No implications identified.
- Reputation – No implications identified.
- Equality & Diversity – No implications identified.

5 **RECOMMENDED THAT COMMITTEE**

5.1 Confirm that where projects are making progress but are likely to complete beyond April 2013 that an additional 6-month period in which to claim their grant funding will be accepted.

5.2 Ask the Chief Executive to keep this Committee informed of progress.

MELISSA THORPE
REGENERATION PROJECTS OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

None

For further information please ask for Melissa Thorpe, extension 4424.

REF: MR/EL/260313/P&F

Village Amenities Grant

Applicant Number	Name of Group/Project	Description of Project	Anticipated end date	Amount originally offered	Final grant received to date/Part payment made	Underspend	Reason for project delay
1	Bashall Eaves Village Hall	Installation of a new door, storage cupboard and internal works to the hall	ASAP	£5,600	£0.00	£5,600.00	Internal works complete. Waiting for the weather to improve to begin the exterior works
2	Balderstone Church and Primary School	Provision of a community car park at St Leonards Church, Balderstone	Jul-13	£10,000	£0.00	£10,000.00	Bad weather delaying the project start
3	Dinckley Parish Meeting	Planting of a wood and provision of benches at Dinckley Bridge	Apr-13	£1,000	£0.00	£1,000.00	Bad weather delaying the project at present. Hope to complete in Spring.
4	Knowle Green Village Hall	Upgrade of the sound system at Knowle Green Village Hall	Apr-13	£500	£0.00	£500.00	Fundraising being carried out to raise the shortfall to allow the project to complete in full.
5	Grindleton Pavillion	Development of second phase of the Grindleton Pavillion project	COMPLETE	£10,000	£10,000.00	£0.00	COMPLETE
6	Dunsop Bridge Village Hall	Replacement of Kitchen at Dunsop Bridge Village Hall	May-13	£7,234	£6,974.40	£259.60	Kitchen flooring to complete which will be done shortly

Applicant Number	Name of Group/Project	Description of Project	Anticipated end date	Amount originally offered	Final grant received to date/Part payment made	Underspend	Reason for project delay
7	Slaidburn Village Hall	Purchase of new projector	COMPLETE	£500	£500.00	£0.00	COMPLETE
8	Read United Reformed Church	Replacement Lighting	COMPLETE	£1,900	£1,900.00	£0.00	COMPLETE
9	Wilpshire Methodist Church	Replacement Insulation	COMPLETE	£5,000	£5,000.00	£0.00	COMPLETE
10	Salesbury Memorial Hlal	Feasibility Study/structural and condition survey	COMPLETE	£500	£500.00	£0.00	COMPLETE
11	Bolton by Bowland Village Hall	Restoration of Kirk Beck Wall	ASAP	£7,500	£0.00	£7,500.00	Planning permission received. Some issues over ownership.
12	Gisburn Festival Hall	Insulation and refurbishment of the hall	Jun-13	£10,000	£0.00	£10,000.00	The project has only recently secured the match funding required so this has delayed the start date slightly.
13	Newton in Bowland Village Hall	Energy improvements to the village hall	Mar-13	£10,000	£0.00	£10,000.00	Awaiting progress update.

Applicant Number	Name of Group/Project	Description of Project	Anticipated end date	Amount originally offered	Final grant received to date/Part payment made	Underspend	Reason for project delay
14	Little Green Bus Company	Purchase of a new bus	Mar-13	£2,500	£0.00	£2,500.00	Ongoing fundraising to subsidise the remaining amount needed to purchase the bus
15	Queen Elizabeth II Playing Fields	Provision of MUGA, youth Shelter & Green Gym	Sep-13	£10,000	£0.00	£10,000.00	Complex project awaiting details of match funding. Have indicated that project completion will be by September 2013
16	Ribchester Playing Fields Trust	Replacement of timber stanchions to support the childrens play area	COMPLETE	£5,000	£5,000.00	£0.00	COMPLETE
17	St Johns Church Read	Purchase and fitting of a new sound system	COMPLETE	£4,990	£4,990.00	£0.00	COMPLETE
18	Ribchester Village Hall	New toilet facilities and kitchen in Ribchester Parochial Hall	Jul-13	£10,000	£0.00	£10,000.00	Awaiting confirmation on match funding
19	Longridge Social Enterprise Company	Refurbishment of toilets	COMPLETE	£2,500	£2,500.00	£0.00	COMPLETE
20	Chipping First Responders	Purchase of community defibrillator	ASAP	£1,500	£0.00	£1,500.00	Awaiting invoice

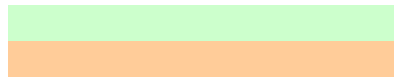
Applicant Number	Name of Group/Project	Description of Project	Anticipated end date	Amount originally offered	Final grant received to date/Part payment made	Underspend	Reason for project delay
21	Pendleton Village Hall	Roofing Project	May-13	£10,000	£2,685.60	£7,314.40	Work partially completed. Expected to be completed in in the next couple of months but is in some ways weather dependant.

Total

£116,224

£40,050.00

£76,174.00



Payment complete
Part payment made

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 12

meeting date: 26 MARCH 2013
title: TREASURY MANAGEMENT POLICIES AND PRACTICES 2013/14
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 2013/14.

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 2011 it was reviewed and updated following the introduction of the Localism Act 2011, including housing finance reform and the General Power of Competence for English Local Authorities.

- 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 2011 Edition.

- 3.3 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

- 3.4 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.*

- 3.5 No changes have been made to the treasury management practices since the treasury management policy statement and treasury management practices were approved in March 2012. However it is proposed to:

- Remove Northern Rock (Asset Management) plc. from the list of counterparties as the Fitch ratings have been withdrawn for this organisation.

3.6 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 2013/14.

4.2 Approve the removal of Northern Rock (Asset Management) plc. from the list of investment counterparties.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF19-13/TH/AC
21 February 2013

BACKGROUND PAPERS;
CIPFA Treasury Management in the Public Services – Code of Practice and Cross – Sectoral Guidance Notes 2011 Edition

Ribble Valley Borough Council



Treasury Management Policies and Practices: 2013/2014

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 may only borrow only in sterling \(except with the consent of HM Treasury\)](#)

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) [guidance](#), which ~~encourages forms of investment offering high security and liquidity~~ [stress the prudent investment strategy of security, liquidity and yield. This means that first and foremost local authorities must ensure the security of their principal sum invested.](#)

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-~~ financing or derivative 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 on-going 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 the 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 is 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 is 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 AND COUNTERPARTY 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~~ investment, borrowing, capital, project or partnership financing, particularly ~~as a result of the counterparty's diminished creditworthiness~~, and the resulting detrimental effect on the Council's capital or ~~current (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.

Principally, Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. In addition, the rating given by rating agents Standard and Poor, and Moody's are also considered prior to an investment. 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 will not be available when it is required, that ineffective management of liquidity creates additional unbudgeted costs, and the Council's business/service objectives will be thereby compromised. 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			
	2013/14 £000	2014/15 £000	2015/16 £000
Maximum Principal Sums Borrowed >364 days	5,031	4,936	4,482
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- maturing borrowings, capital, project or partnership financings](#) 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 2013 £	Year of Final Repayment
250,000	7 years	4.50% Fixed	53,571	2014/15
250,000	10 years	4.60% Fixed	112,500	2017/18
250,000	15 years	4.75% Fixed	3,737	2022/23
250,000	25 years	4.88% Fixed	195,000	2032/33
		Total PWLB	364,808	

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~~ £84,000 in 2013/14 only, 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

	2013/14 £	2014/15 £	2015/16 £
Estimated Resources Brought Forward	-631,227	-318,423	-318,423
Unsupported Borrowing	-84,000	0	0
Revenue – Earmarked Reserves	-24,000	-11,000	-349,000
Disabled Facilities Grants - DCLG	-109,000	-109,000	-109,000
New Homes Bonus	0	0	-48,000
Retention of Weekly Collection of Residual Waste – DCLG	-318,000	-210,000	0
External Funding and Revenue Contributions	0	0	-67,000

	2013/14 £	2014/15 £	2015/16 £
S106 Agreements	-40,000	-40,000	-40,000
VAT Shelter	-146,816	-75,000	-75,000
<i>Estimated Total Available Resources</i>	<i>-1,353,043</i>	<i>-763,423</i>	<i>-1,006,423</i>
Less Total of Approved Capital Programme	1,034,620	445,000	688,000
<i>Estimated Resources to Carry Forward</i>	<i>-318,423</i>	<i>-318,423</i>	<i>-318,423</i>

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 Council's powers and authorities to counterparties and the 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 [that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effect it has failed to protect itself adequately.](#)

Details of approved procedures and limits for controlling the Council's exposure to investments / borrowing whose capital value may fluctuate (Gilts, CDs, and Lender's Option Borrower's Option (LOBO) etc.)

These are controlled through setting limits on investment [and borrowing](#) 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 [/ loans](#) 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](#) [2013/16](#)

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 Council'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 its interests, and to deliver good housekeeping
- Ensure that ~~third parties~~ counterparties are judged satisfactory in the context of the its 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 [funding](#) decision.
- Consider the merits of alternative forms of funding, including options such as funding from revenue and leasing [and private partnerships](#).
- Consider the alternative interest rate bases available, the most appropriate periods to borrow and repayment profiles to use.
- Consider the on-going 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 products and techniques](#) available, especially [the implications of using any which may expose the Council to changes in the value of its capital](#).

In respect of decisions regarding derivatives, the Council will:

- [Be able to demonstrate that the derivative transaction has reduced the Council's overall exposure to treasury risks. \(The Council has no transactions of this nature at the current time, and has no plans to do so in the near future.](#)

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 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 counterparties

The credit rating of counter parties is monitored monthly. Any counterparty 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.

[Principally](#) Fitch credit ratings are monitored and are used as an indication of the probability of organisations defaulting on our investments. [In addition, the rating given by rating agents Standard and Poor, and Moody's are also considered prior to an investment.](#) 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. *
- 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 *

Other

- Debt Management Office **
- Other Local Authorities in the UK ***
- Police and Crime Commissioners, Fire and Rescue Services and Transport Authorities ***

Key

- | | |
|---|----------|
| * Maturity limit for each counter party | 365days |
| * Maximum limit per institution | £1.5m |
| ** Maximum limit per institution | £5.0m |
| *** Maturity limit for each counter party | 3 Months |
| *** Maximum limit per institution | £2.5m |

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 Community (Euratom)
- 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 are 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 [and liaise with external audit.](#)
- 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
- [Maintain relationships with counterparties](#)

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 [adopted clauses](#), treasury management policy [statement and treasury management practices and any amendments](#).
- 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 preceding year

- Receive other periodic reports on the treasury management function and its performance
- [Approve the division of](#) responsibilities

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 contacts 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](#) [2013/16](#)

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 is 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](#)
 - [Sort code and number of the receiving bank.](#)
 - All the above information is usually supplied by the Head of Financial Services who generally would make any application.

- iv. Is your authority on the published list of local authorities qualifying for the Certainty Rate discount?

~~At the time the loan application is approved the time is agreed and the name of the contact at the board is supplied. Staff from the Board's offices will telephone the local authority as soon as practicable after a loan has been agreed, and in any event within 24 hours (excluding weekends and bank holidays), to verify the details. In addition, the Board will send the authority a letter confirming the terms of the agreement; this will not be received until after the loan has been advanced.~~

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

Agenda Item No 13

meeting date: 26 MARCH 2013
title: REVIEW OF REVENUES AND BENEFITS DISCRETIONARY POLICIES
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To agree updated policies for Discretionary Housing Payments (DHP) and Discretionary Council Tax and Business Rates discounts due to Welfare Reform.

2 BACKGROUND

2.1 Local authorities have the power to grant Discretionary Housing Payments (DHP) and discretionary discounts for Council Tax and Business Rates.

2.2 The recent Welfare Reforms have made significant changes to this area and it is therefore necessary to review our current policies.

2.3 DHP's can be awarded for both housing payments and Council Tax until 31 March 2013.

2.4 The replacement of Council Tax Benefit with Localised Council Tax Support schemes from 1 April 2013 means that DHP's no longer apply to Council Tax.

2.5 Housing Benefit reforms including, social sector size criteria changes, Local Housing Allowance uprating, and the benefit cap mean that there will be a significant number of claimants facing shortfalls from April 2013.

3 ISSUES

3.1 The Government recognises that local authorities will be faced with significantly increased applications for DHP's from April 2013 and have therefore increased our funding from £14,088 in 2012/13 to £46,969 for 2013/14.

3.2 Whilst this is a significant increase in funding we estimate that the shortfall in Housing Benefit created by these reforms will exceed £200,000 and therefore we will only be able to provide assistance to a quarter of those affected.

3.3 There will also be a significant additional burden relating to the administration of DHP's from April 2013 and no additional funding has been provided for this.

3.4 We have adopted a Local Council Tax Support scheme that retains most of the features of the current Council Tax Benefit scheme but applies an 8.5% reduction to entitlement for those of working age.

3.5 We have approximately 1,100 claimants of working age who will be affected by the changes to Council Tax Benefit. However, the vast majority of claimants will have to pay no more than an additional £100 per year as a result of these changes.

3.6 New policies relating to DHP's and Discretionary Council Tax and Business Rates discounts are attached at Annex 1 and 2.

4 RISK ASSESSMENT

4.1 The adoption of the attached policies will have the following implications:

- Resources - the cost of DHP's is funded by Central Government so will have no impact on our resources. Part of the cost of any Discretionary Council Tax and Business Rates discounts will fall on Council Tax payers but these will only be granted in exceptional circumstances.
- Technical, Environmental and Legal - Government guidance states that local authorities should have policies in place to cover these areas.
- Political - None
- Reputation - these welfare reforms will have a significant impact on some of the most vulnerable residents of the Ribble Valley. It is essential that we exercise our discretion correctly to reduce this impact wherever possible.
- Equality and Diversity - the welfare reforms apply equally to all sections of the community.

5 CONCLUSION

5.1 The Welfare Reforms will have a significant impact on the number of applications that local authorities receive for discretionary assistance.

6 RECOMMENDATION

6.1 Approve the revised policies attached at Annex 1 and 2.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF21-13/ME/AC
12 March 2013

BACKGROUND PAPERS: None

For further information please ask for Mark Edmondson.

Ribble Valley Borough Council



Policy for the Award of Discretionary Housing Payments

Version 113
February 2013

BACKGROUND

From 2 July 2001 a new scheme was introduced which grants councils powers to make Discretionary Housing Payments (DHP) to top up the Housing Benefit and Council Tax Benefit Statutory Schemes. The legislation governing DHP can be found in the Discretionary Financial Assistance Regulations 2001 (S1 001/1167) - (DFA Regulations).

From 1 April 2013 Council Tax Benefit (DHP) was abolished and replaced by the Council Tax Reduction/Support fund and the DHP scheme now covers Universal Credit (UC).

The main features of the scheme are that:

- ❖ The claimant does not have a statutory right to a payment.
- ❖ DHP will **not** be payments of benefit.
- ❖ The amount that can be paid by an authority in any financial year is cash limited by the Secretary of State.
- ❖ The operation of the scheme is for the Council to determine, apart from a few specific areas.
- ❖ It is completely separate from the Statutory Housing Benefit (HB) Scheme, apart from the fact the HB must be in payment and the weekly DHP amount awarded must not exceed the maximum housing benefit or council tax benefit that could be awarded in the case.
- ❖ The customer is entitled to Housing Benefit (HB) or Universal Credit (UC) and has a rental liability and requires further financial assistance with housing costs.

THE COUNCIL'S POLICY

Purpose

The purpose of this policy is to specify how this Council will operate the scheme and to indicate the factors that will be considered when deciding if DHP can be made. We aim to treat all claimants fairly, reasonably and consistent when administering the scheme.

Statement of Objectives

The Council will make DHP to claimants who meet the qualifying criteria as specified in this policy. The Council will treat all applications on their individual merits but will seek, through the operation of this policy, to:

- ❖ Alleviate poverty;
- ❖ Safeguard people's housing;
- ❖ Keep families together; and
- ❖ Help people through personal crises and difficult events.

Claiming a DHP

A claim for DHP must be made in writing, either by the claimant or someone acting on their behalf, e.g. an appointee.

The Council may request, in writing, any reasonable evidence in support of an application for DHP. The claimant will be asked to provide the evidence within one month. Evidence and information provided to decide the HB/UC claim may be taken into account.

If the claimant does not provide the required evidence the Council will still consider the application. However, the Council may disregard any unsubstantiated statements or draw its own conclusions from other evidence available.

The Council may, in any circumstances, verify any information or evidence provided by the claimant by contacting third parties, other organisations and the claimant.

Period of Award

The Council will decide the length of time for which DHP will be awarded, if a payment can be made under this scheme.

The Council will consider which date to treat the claim for DHP as starting. This date will be:

- i) The date on which the Council receives the claim for DHP; or
- ii) The date on which entitlement to HB/UC commenced (providing the application for DHP is received within one calendar month of the claim for HB/UC being decided)

Whichever is the earlier or the more appropriate

- ❖ The minimum period for which the Council will award DHP is one week.
- ❖ The Council can award DHP for a period outside an existing HB/UC period granted under the HB/UC statutory scheme.
- ❖ The Council will not award DHP for a period exceeding six months without reviewing the claim.

The Council will consider any reasonable request for backdating an award of DHP. All such requests should give the reasons why the application was not made at an earlier time. The Council reserves its discretion to make backdated awards of DHP, but in any case will not make awards where:

- a) The underlying conditions for an award are not met; and
- b) The application will only be considered for a period where the linked HB/UC is in payment.
- c) The application was made more than three months after the period for which it is made.

The Amount of DHP Awarded

The award of DHP will be the exception rather than the norm. The Council will consider whether to award DHP and the amount of any such award. It will take into account:

- ❖ The amount of housing benefit or universal credit in payment.
- ❖ Where a customer is not in receipt of housing benefit but in receipt of universal credit the Council will decide the amount of DHP to award this will not exceed the weekly eligible rent.
- ❖ For lump sum payments such as deposits, rent in advance or removal costs the Council will have regard to the overall DHP budget.
- ❖ The liability of the claimant to pay rent, net of any deductions specified by Regulation 3 of the Discretionary Financial Regulations 2001.
- ❖ Whether a person's maximum housing benefit or universal credit has been restricted by the Valuation Office Agency or the Council; and if so:
 - a) The amount of the restriction.
 - b) The reason for the restriction.
 - c) The length of time that the restriction has been imposed.

- ❖ Steps taken by the claimant to reduce their rental liability.
- ❖ Reduction in HB or UC for Under Occupation in the social rented sector – especially for foster carers who are in between placements or for people whose houses have been substantially adapted.
- ❖ Reduction in HB or UC where the benefit cap has been applied for a limited period whilst the claimant sorts out a move or finds work/more work.
- ❖ Reduction in HB or UC as a result of local housing allowance restrictions – for a limited period to find a cheaper home.
- ❖ The circumstances surrounding the application.
- ❖ The financial and social health/medical circumstances of the claimant, their partner and any dependants, and any other occupants of the claimant's home.
- ❖ The income and "essential" expenditure of the claimant or their family.
- ❖ Any savings or capital that might be held by the claimant, their partner and any dependants, or other occupants of the claimant's home.
- ❖ The availability and any steps taken by the claimant to obtain extra income or to reduce expenditure of the claimant or their family.
- ❖ The level of indebtedness of the claimant and their family.
- ❖ The exceptional nature of the claimant and their family's circumstances.
- ❖ Whether there have been any previous awards of DHP, and if so:
 - a) The number, length and dates of those awards; and
 - b) What action the claimant has taken to reduce the need for DHP.
- ❖ The impact any award of DHP will have on the Council's budgets and its ability to make further awards of DHP to other claimants within the financial year.
- ❖ The impact the non-award of DHP will have on the claimant and other customers.
- ❖ The amount of money available to the Council to spend on this scheme within the cash limits specified by the Secretary of State from time to time. The Council may take into account expenditure and estimated committed expenditure.

The award of DHP at one time does not guarantee that a further award will be made at a later date, even if the claimant's circumstances remain the same. The Council cannot fetter its discretion in making one decision on a claim with regard to a later claim by the same claimant.

The Council, taking into account the above matters and limited to the statutory limits imposed by DFA regulations, will decide the amount of any DHP award. The Council may decide not to award anything or any amount up to the maximum allowed under the DFA regulations.

Change of Circumstances

As claimants for DHP must be in receipt of housing benefit or universal credit they are required, under the regulations, to inform us of changes in their circumstances that might affect their claim for HB/UC.

The Council's policy will be that a change in the claimant's circumstances will not affect the level of their DHP providing:

- ❖ They retain entitlement to housing benefit and/or universal credit.
- ❖ The level of their housing benefit and/or universal credit, plus DHP does not exceed their liability to pay rent, less the deductions specified in Regulation 3 of the Discretionary Financial Regulations 2001.

- ❖ The change of circumstances was not specifically defined as being critical to the award of DHP in the notification of the award to the claimant. The Council may specify changes in circumstances that will need to be notified to the Council as it is considered that the amount or need for DHP will change on such an event. In these cases the Council may revise the DHP award.

Method of Payment

We will decide to whom we will make payment of DHP based upon the circumstances of each case. This could include:

- ❖ The claimant;
- ❖ Their partner;
- ❖ An appointee;
- ❖ Their landlord (or an agent of the landlord); or
- ❖ Any third party to whom it might be appropriate to make payment.

We will pay any award of DHP by the most appropriate means available in each case. This could include payment:

- ❖ With housing benefit;
- ❖ Payment into a bank account for customers in receipt of universal credit
- ❖ By offsetting the DHP against any other liability the claimant or partner has to the Council to reduce indebtedness and reduce their expenditure.

Payment will be made in accordance with the current payment schedule of the claimant.

Notification

We will inform claimants of the outcome of the application in writing, as soon as is reasonably practicable of making a decision about their DHP claim. We will notify:

- ❖ Those whose application is unsuccessful
 - ✧ The reasons why we have decided not to award DHP.
- ❖ Those whose application is successful:
 - ✧ The weekly amount of DHP awarded.
 - ✧ The period of the award.
 - ✧ How, when and to whom the award will be paid.
 - ✧ A summary of the reasons for the award.
 - ✧ Any requirement to notify us of changes in circumstances that could affect the DHP award.
- ❖ All claimants:
 - ✧ A reminder of the requirement to notify the Council of changes in circumstances.
 - ✧ Their appeal rights regarding housing benefit.

Appeal Rights

DHP are not payments of housing or universal credit and are therefore not subject to the statutory benefits appeals mechanism where appeals are decided by HM Courts & Tribunals Service, which is an independent statutory body. However, the route of judicial review is available, and the

local government ombudsman if there is an allegation of maladministration. The Council will therefore decide appeals.

We will therefore operate the following policy for dealing with appeals about DHP:

- ❖ A claimant (or their appointee or agent) who wants an explanation of a DHP decision may request one in writing during the period of the DHP award.
- ❖ A claimant (or their appointee or agent) who disagrees with a DHP decision may dispute the decision.
- ❖ Any such dispute may be made, in writing, but must be made within one calendar month of the written decision about the DHP being issued to the claimant. Officers will explain the DHP decision verbally to the claimant by telephone, or by interview, and seek to resolve the disagreement. Where this cannot be achieved officers will formally review the decision.
- ❖ The officers will reconsider the award of any DHP that has been disputed and notify the claimant of the outcome of the review. A review will be suspended if we need more information from a claimant until the information is received.
- ❖ In the event that, following an internal review of a decision, the officers decide that the original decision should not be revised we will notify the claimant. There are no further rights of appeal against a decision.

Overpayments

The Council will seek to recover any DHP found to be overpaid. We will seek recovery from the claimant and/or their partner, regardless of how and to whom the DHP was paid. We will do this by invoicing the claimant and/or partner and a decision letter will notify a decision that DHP is overpaid. An appeal may be made against this decision.

The Council will allow an appeal against a decision that an overpayment of DHP has been made. These appeals will be allowed on the following grounds only:

- ❖ The calculation of the overpayment.
- ❖ That the overpayment should not be recoverable as it was caused by Council error.

Fraud

The Council is committed to the fight against fraud in all its forms.

Any cases where the Council suspects that fraud has occurred will be investigated and, subject to the actions available within the Council's Anti-Fraud Policy, this may lead to our commencing criminal proceedings against suspected claimants.

If the Council decides that DHP are being, and/or have been, made because someone has misrepresented or failed to disclose a material fact, be it fraudulently or otherwise, the Council will stop making any further DHP. We will also stop making further DHP where they have been paid as a result of an error.



**Discretionary Council Tax, Additional Local Support for Council Tax in
Exceptional Circumstances and
Business Rates Discounts Policy**

**March 2013
Version 1**

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 (Section 13A(1)(c))

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.
- 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 Support.
- All other eligible discounts/reliefs have been awarded to the customer.

Additional Local Council Tax Support (LCTS) Due to Exceptional Hardship (Section 13A(1)(a))

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

- Requests for additional LCTS will be required in writing from the customer, their advocate/appointee or a recognised third party acting on their behalf.
- There must be evidence that failure to grant additional LCTS will result in exceptional hardship occurring.
- The Council's finances allow for the additional LCTS to be granted.
- The additional LCTS is limited to the reduction in LCTS applied to their case i.e. 12% (8.5% for 2013/14)
- 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 8

meeting date: 26 MARCH 2013
title: NATIONAL NON DOMESTIC RATES WRITE OFF
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To obtain Committee's approval to write off 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

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 business rate debts.

2.3 We do this by various means, including summonses, distraint of goods, bankruptcy, winding up 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 been dissolved, gone into liquidation/administration, or it has not been possible to trace the debtor and therefore we need to write off some NNDR debts.

3.2 Annex 1 shows details of the various debts we are seeking approval to write off – these total £71,488.56.

4 FINANCIAL IMPLICATIONS

4.1 Until the end of this financial year 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.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £71,488.56 of NNDR debts where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF23-13/ME/AC
14 March 2013

Background papers: None

For further information please ask for Mark Edmondson.

Policy and Finance Committee

Write Offs - NNDR

Year	Name	Amount £
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.		
2008/09	NJW Developments Ltd Suite 10, The Printworks, Hey Road, Barrow	1,977.61
TOTAL		1,977.61

Year	Name	Amount £
GONE AWAY		
Debtor has left the premises and despite extensive attempts we have been unable to trace their whereabouts.		
2009/10	Variant Pub Holdings Ltd Black Bull Hotel, Church Street, Ribchester	1,965.88
2009/10		1,119.66
		3,085.54
2011/12	Hemingways Ltd 60-62 Berry Lane, Longridge	1,870.42
		1,870.42
TOTAL		4,955.96

Year	Name	Amount £
VOLUNTARY 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.		
2012/13	Lancashire Leisure Solutions Ltd Towneley Arms Hotel, Berry Lane, Longridge	5,762.37
		5,762.37
2012/13	White Bull Hotel Church Street, Ribchester	6,796.32
		6,796.32
TOTAL		12,558.69

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	Goldpedal Ltd	Blackburn Road, Ribchester	8,494.18
2010/11			29,070.27
			37,564.45
2009/10	Ribble Valley Construction Ltd.	Unit 4, Whalley Industrial Park, Clitheroe Road, Barrow	1,350.68
2010/11			339.19
			1,689.87
2011/12	Old Oak (2012) Ltd	Old Oak Hotel, 111 Preston Road, Longridge	1,780.51
2012/13			1,143.49
			2,924.00
2012/13	Total Swift Ltd	Strawberry Fields Café Bar and Restaurant, Main Street, Gisburn	5,314.06
			5,314.06
2012/13	Max Restaurants Ltd	The Plate, Backridge Farm, Twitter Lane, Bashall Eaves	3,661.57
2012/13		The Old Barn, Backridge Farm, Twitter Lane, Bashall Eaves	842.35
			4,503.92
TOTAL			51,996.30

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY, 26 MARCH 2013
title: COMPLAINTS PROCEDURE REVIEW WORKING GROUP
submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE
principal author: BILL ALKER – COMMUNITY DEVELOPMENT OFFICER

1 PURPOSE

1.1 To report on the second meeting of the Complaints Procedure Review Working Group which was formed in September 2012.

1.2 To seek approval to a number of proposed changes to the Complaints Procedure recommended by the working group.

1.3 Relevance to the Council's ambitions and priorities:

- Community Objectives – To treat everyone equally and ensure that access to services is available to all including our most vulnerable citizens. To engage with all our communities to ensure we deliver services to meet customer needs and expectations.
- Corporate Priorities – To be a well-managed Council providing efficient services based on identified customer needs.
- Other Considerations – None.

2 BACKGROUND

2.1 I took a report to Policy and Finance Committee in September 2012 asking Members to review how the Council's complaints procedure was operating.

2.2 Members and Officers had separately expressed some misgivings about certain aspects of the procedure and it was felt that a review was appropriate.

2.3 Previously complaints monitoring had been carried out by Overview and Scrutiny Committee on an annual basis but with the demise of that Committee the responsibility now rests with Policy and Finance Committee.

2.4 A working group consisting of Councillors Hirst, Hore and A Knox was set up to investigate how best to improve the Council's procedure.

2.5 The working group's remit covered the following areas:

- Review of the procedure – reporting back to Policy and Finance.
- Look at how a complaint should be lodged.
- Who should vet and reject complaints if required.
- How investigations were carried out.
- Whether the Complaints Panel should continue in its present form.
- When and how notification should be carried out.

2.6 The working group held its first meeting on 6 November 2012 and its second meeting was held on 26 February 2013. This second meeting met to discuss further the ways in which the complaints system could be improved and the process be made more effective and transparent.

3 ISSUES

3.1 The working group again addressed the 7 specific questions and considered officer updates.

3.2 As a result of the meeting of the working group it was agreed that the complaints leaflet would need to be redrafted to reflect the following key changes which are recommended to the procedure:

- All complainants must complete the complaints form either on line or via a paper copy. Receipt of this completed form “triggers” the complaints procedure.
- Filtering criteria to be established, filtering to be carried out by Diane Rice or Bill Alker and alternative staff to be identified if either Diane or Bill are conflicted out.
- Director or Head of Service to be informed on receipt of complaint – they will be expected to make the necessary staff available to investigate the issues raised by the complainant.
- Need for guidance for staff involved in or the subject of a complaints investigation.
- Recommend that complainants be given one calendar month to move to stage 2 of the procedure from the date of receipt of the result of the investigation at stage 1.
- Amend complaints form to include an item about whether Ward Members should be notified about a complaint.
- Amend complaint form to make clear that Councillors should not be lobbied.
- Complainants be given the opportunity to submit their own documents as part of a “joint bundle”. This to be ready for distribution to panel members at least 5 working days before the panel meets.
- Complainants to be advised that any presentation to a complaints panel should ideally not take more than 30 minutes.
- Decide how or if the Ward Member is to be informed of the outcome of the deliberations of the panel.
- Consider the extension from 3 to 5 working days for the sending of the decision notice from the complaints panel.

4 RISK ASSESSMENT

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

- Resources – None.

- Technical, Environmental and Legal – None.
- Political – None.
- Reputation – By reviewing and revising the Complaints Procedure, this will enhance the reputation of the Council as a well-run authority.
- Equality and Diversity – It is important to have a Complaints Policy that is accessible to all our customers.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Note this report.
- 5.2 Agree to the changes to both the Complaints Procedure and complaints leaflet detailed at paragraph 3.3 above.
- 5.3 Revised Complaints Leaflet and supporting documents be submitted to the Working Group prior to introduction..

BILL ALKER
COMMUNITY DEVELOPMENT OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

None.

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

BA/CMS/P&F/26 MARCH 13

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 16

meeting date: 26 MARCH 2013
 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 2013:

	£000	£000	2012/13 % to 13 March	2011/12 % to 13 March
Balance Outstanding 1 April 2012		475		
NNDR amounts due	16,625			
Plus costs	10			
Transitional surcharge	55			
Write ons	17			
	16,707			
Less				
- Transitional relief	-276			
- Exemptions	-470			
- Charity, Rural, Former Agricultural Discretionary Relief	-950			
- Small Business Rate Relief	-1,655			
- Write offs	-132			
- Interest Due	-2			
	-3,485	13,222		
Total amount to recover		13,697		
Less cash received to 13 March		-13,183	96.2	95.7
Amount Outstanding		514	3.8	4.3

NB The figures included in the table include not only those charges for 2012/13 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 28 February 2013 is 97.9% compared with 96.8% at 29 February 2012.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 13 March 2013:

	£000	£000	2012/13 % to 13 March	2011/12 % to 13 March
Balance Outstanding 1 April 2012		420		
Council Tax amounts due	37,115			
Plus costs	89			
Transitional relief	3			
Write ons	6			
	37,213			
Less - Exemptions	-1,071			
- Discounts	-2,893			
- Disabled banding reduction	-43			
- Council Tax Benefit	-2,243			
- Write offs	-22			
	-6,272	30,941		
Total amount to recover		31,416		
Less cash received to 13 March		-30,821	98.3	98.3
Amount Outstanding		595	1.7	1.7

NB The figures included in the table include not only those charges for 2012/13 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 2012/13 at 28 February 2013 is 98.8% compared to 98.7% at 29 February 2012.

4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 15 March 2013 is:

	£000	£000
Amount Outstanding 1 April 2012		308
Invoices Raised	1,433	
Plus costs	2	
	1,435	
Less write offs	1	1,434
Total amount to recover		1,742
Less cash received to 15 March 2013		1,387
Amount outstanding		355

Aged Debtors	000s	%
< 30 days	122	34.37
30 - 59 days	16	4.51
60 - 89 days	5	1.41
90 - 119 days	14	3.94
120+ days	198	55.77
	355	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 2012/2013

1 October 2012 to 31 December 2012

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	11.27 days	20 days per IRRV

New claims performance

1 October 2012 to 31 December 2012

Target for year	Actual Performance	Top grade 4 for all LA's 2007/08
20 days	23.58days	Under 30 days

6 HOUSING BENEFIT FRAUD

6.1 The following is a summary of fraud investigations for the period 1 October 2012 to 31 December 2012.

Completed fraud investigations	
1 October 2012 to 31 December 2012	58

Average caseload (YTD)	
2012/2013	2,844

Number of investigations per 1,000 caseload		
2012/2013	588/2,844	20.39

Number of Housing/Council Tax Benefit prosecutions and sanctions per 1,000 caseload

2012/2013	
Cautions	1
Administrative penalties	0
Successful prosecutions	0
Total	1

Average caseload (YTD)	
2012/2013	2,844

Number of prosecutions/sanctions per 1,000 caseload		
2012/2013	1/2,844	0.35

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 2012 to 31 December 2012.

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.	85.71
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.	21.83
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.	0.26

8 CONCLUSION

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

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF22-13/ME/AC

14 March 2013

BACKGROUND PAPERS – None

For further information please ask for Mark Edmondson.

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No.

meeting date: TUESDAY, 26 MARCH 2013
 title: INDIVIDUAL ELECTORAL REGISTRATION
 submitted by: MARSHAL SCOTT – CHIEF EXECUTIVE
 principal author: DIANE RICE – HEAD OF LEGAL AND DEMOCRATIC SERVICES

1 PURPOSE

1.1 To inform Members about changes which will be made to the Electoral Registration system when Individual Electoral Registration (IER) is introduced in July 2014.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions - }
 - Community Objectives - }
 - Corporate Priorities - }
 - Other Considerations - }
- Ensuring Members are informed about changes to the electoral registration process contributes to the Council's objective of being a well managed Council.

2 BACKGROUND

2.1 The current system of registration is based on each household responding to the annual canvass by a single return per household.

2.2 The main changes arising from IER are that:

- Electors must register individually from 2014.
- The information provided as part of their application must be verified before it is added to the register.
- Electors will have to provide more information than at present. In addition to their name and address they will have to provide their national insurance number and date of birth.

2.3 Verification is by crosschecking the Council's records with the Department of Work and Pensions records.

3 ISSUES

3.1 As part of the transition to IER, some changes will be made to the current electoral registration system, for example testing will take place of the verification of the electoral register with the Department of Work and Pensions' records. The annual canvass in Autumn of 2013 will be delayed and will now take place from October until February 2014 ie later than has been the case in previous years.

3.2 In addition, there are transitional arrangements to manage the change to IER, these will commence in July 2014 to enable the first full IER register to be published on the 1 December 2014.

3.3 For the first two years after the introduction of IER there will be generous arrangements put in place to allow electors who do not meet the requirements of individual electoral registration to remain on the register.

- 3.4 However, transition will be complete by January 2016 and thereafter registration will require full compliance with the new process.
- 3.5 The introduction of IER will have implications for Council staffing and the Council's procedures, these will include:
- the difficulties of carrying out the canvass during the Winter period;
 - the overlap requiring staff to be trained to carry out IER whilst dealing with a different format for the canvass which will include the trial validation and data matching tests;
 - changes to the Council's computer systems to reflect the new requirements of IER;
 - it is anticipated that in 2014 it will be necessary to recruit additional staff.
- 3.6 The Cabinet Office have indicated that funding will be provided to cover the additional costs incurred by Local Authorities over and above the cost of the present method of electoral registration.
- 3.7 Further information will be provided to Members as the process develops.

4 RISK ASSESSMENT

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

- | | | |
|--|---|--|
| • Resources – | } | |
| • Technical, Environmental and Legal – | } | |
| • Political – | } | No formal conclusions as process not yet fully known |
| • Reputation – | } | |
| • Equality and Diversity – | } | |

5 RECOMMENDED THAT COMMITTEE

5.1 Note the transition from the current electoral registration system to IER and changes to the annual canvass arrangements for 2013.

DIANE RICE
HEAD OF LEGAL & DEMOCRATIC SERVICES

MARSHAL SCOTT
CHIEF EXECUTIVE

BACKGROUND PAPERS

1. None.

For further information please ask for Diane Rice, extension 414418.

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 18

meeting date: 26 MARCH 2013
title: MEALS ON WHEELS AND LUNCHEON CLUBS UPDATE
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

- 1.1 To provide members with an update on the latest developments on the meals on wheels and luncheon club provision that this council and Lancashire County Council currently financially support.

2 BACKGROUND

- 2.1 A number of reports have been brought to this committee over past years, highlighting to members that there may be changes to the manner in which Lancashire County Council may be looking to fund or support the meals on wheels and luncheon clubs.
- 2.2 Lancashire County Council (LCC) have historically funded district Councils using the meals and recreation grant to support the running of day and luncheon clubs within their areas.
- 2.3 The Health and Social Security Adjudication Act 1983 set out the details of the grant. Under that Act, it grants district authorities a discretionary power to support *'any voluntary organisation whose activities consist in or include the provision of meals or recreation for old people'*.
- 2.4 The grant is claimed in arrears based on 50% of this Council's Meals on Wheels and Luncheon Club net expenditure up to a ceiling calculated using the pensionable population of the borough and a per capita multiplier.
- 2.5 Currently the personalised social care team at LCC provide people with a choice of meals on wheels provision, such as the service provided by WRVS (which this Council help subsidise), Icare or others such as Wiltshire Farm Foods. Referrals to the WRVS service have dropped significantly as historically the criteria for accessing the WRVS service is that citizens must meet the 'Fair Access to Care Services' criteria which means that they now only refer individuals with substantial and critical need; they no longer refer individuals with moderate need.
- 2.6 This Council only provides financial support towards the provision of the Meals on Wheels service within the borough **where meals are still provided by the WRVS**. Meals are produced by external suppliers and then delivered by the WRVS volunteers. As part of our costs we also pay a grant of £9,580 to the WRVS for the running of their services. No financial support is given by the council towards Icare or Wiltshire Farm Foods.
- 2.7 The WVRS currently provide five meals on wheels services, which operate in Billington, Chipping, Clitheroe, Hurst Green and Mellor which in 2011/12 provided 5,230 hot meals to 29 individuals, compared to 2010/11 when 7,670 hot meals were provided to 40 individuals. We have recently been informed that of those currently receiving meals on wheels through the WRVS, only 9 would now qualify due to the changing criteria. A charge of £1.50 is made to the recipients of each meal.

2.8 With regard to the luncheon clubs that are financially supported by this council, it is unknown at this stage how many recipients benefit from this service.

3 FINANCIAL INFORMATION

3.1 The revised estimate for the net cost for the meals on wheels and luncheon club service for 2012/13 is £27,980 before receiving the 50% grant of £13,990 from LCC.

3.2 Ribble Valley also financially supports five luncheon clubs operating in Chatburn, Clitheroe, Mellor, Ribchester and Whalley. The Whalley luncheon club is operated by the WRVS. The revised estimated net cost for the luncheon clubs for 2012/13 is £5,730 before receiving the 50% grant of £2,870 from LCC.

3.3 This council have no direct involvement in the provision of the services and our involvement is very much from a financial administration perspective, although some assistance has been given to the WRVS in the past in sourcing suppliers of meals for the meals on wheels service.

3.4 In 2010, LCC Adult and Community Services Directorate undertook a review of its well-being and prevention services. This highlighted the current position of the historic meals and recreation grant. Mainly that:

- District councils claim the grant in arrears, with the amounts claimed varying from area to area.
- Not all District Councils claim for the grant and this can vary from year to year.
- The grant is a finance transaction and no LCC commissioners are linked to the grant, it currently sits outside any LCC commissioning plans.
- LCC have no involvement in the service provided.

4 PLANS FOR THE FUTURE

4.1 A meeting was recently held with LCC on 11 February 2013, where they provided information on the future funding proposals for the council and the meals on wheels and luncheon clubs provision.

4.2 At this meeting LCC clearly stated that the current on-going grant arrangements were not sustainable over the longer term, however they were looking at ways in which to help existing services, or alternatives, to become financially self-sustainable over the coming year or two.

4.3 They were very keen to ensure that the work of the WRVS continued and were looking to put pump-priming short term investment in well-being and prevention services that:

- Meet the needs of the community;
- Are strong and provide a sustainable offer;
- Equitable, accessible, affordable for local citizens;
- Utilise local buildings and resources such as village halls, churches, schools etc.;
- Engage and provide a service for more local people;
- Utilise the LCC and RVBC investment much better;
- Support the voluntary sector;
- Provide better choice for local people

- 4.4 Within the next few months LCC in partnership with WRVS are looking to undertake a 'needs analysis' in order to better understand how the current joint LCC and Ribble Valley investment is being used and the level of difference that the investment is making to those who receive the benefit of the services provided.
- 4.5 Any 'needs analysis' would also allow both council's to assess what citizens currently think about the services that are provided through the funding given, and help identify any gaps, needs and demands of the services within the Ribble Valley area.
- 4.6 Once this information is available, it is anticipated that both council's would work jointly with the Third Sector (i.e. voluntary organisations) in order to help develop the currently grant funded services that are offered by them.
- 4.7 In order to help facilitate this work it is anticipated that the council's Partnership Officer would work together with LCC staff as the council's strategic representative and that a jointly agreed approach would be taken with a set of agreed actions for any future Third Sector development.
- 4.8 Until such changes are brought in to place, it is anticipated that existing service arrangements will continue, whilst a clear agreement between LCC and RVBC takes place and a future plan has been established.
- 4.9 In developing future Third Sector services it is recognised that local people, partners and elected members will need to be involved in the design of services, and that both LCC and RVBC internal processes would need to be followed.

5 CONCLUSION

- 5.1 Lancashire County Council have given a clear indication that over the longer term they are likely to withdraw the grant funding that this council currently receive towards the meals on wheels and luncheon club provision within the borough as it is anticipated that LCC investment will be used in a different way based on the needs analysis and proposed set of actions mentioned above. They have given written confirmation that the funding that we currently receive (£17,920 RVBC 2013/14 budget) will continue for the 2013/14 financial year, but no commitment has yet been made for the future.
- 5.2 The County Council have given their commitment towards helping ensure the longer term self-sustainability of Third Sector organisations such as the WRVS (with whom discussions have already been held), and have indicated that there may be pump-priming short term investment from LCC available.
- 5.3 A needs analysis is to be undertaken by LCC in collaboration with RVBC to identify what the needs of the borough's residents are and to assess the benefits received from the current arrangements.
- 5.4 Ribble Valley have a large proportion of elderly residents and the meals on wheels and luncheon clubs are a valuable service to these residents. I therefore intend to also bring this matter to the attention of the Council's Health and Wellbeing Working Group for their consideration
- 5.5 Further reports will be brought back to this committee as the review work by LCC and this Council develops.

SENIOR ACCOUNTANT
PF26-13/TH/AC
15 March 2013
26-13pf

DIRECTOR OF RESOURCES

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 16 JANUARY 2013

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

1 Apologies

1 Cllrs: Rogerson and Knox

2 Minutes of Budget Working Group 20 November 2012

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

3 Financial Implications of Council Tax Support and Taxbase

3.1 The Director of Resources gave members an update on the financial implications of the approved Council Tax Support Scheme.

3.2 It was outlined that the scheme would be based on a reduction of 8.5% to council tax support paid to working age claimants, which would in future be awarded as a discount. As with other discounts, this would impact on the taxbase for the year. Members were taken through the calculation, which resulted in a reduction to the council's taxbase of 1,486 Band D equivalent properties.

3.3 The impact of this reduction on parishes was also discussed, together with the grant that was being passed on to parish council's to help mitigate the impact on their taxbase. The distribution methodology for this grant was shown to members as part of the report.

3.4 Members recognised that the grant would not fully compensate parishes. A discussion then took place on the requests that had been sent out to parish clerks for precept information, of which to date 60% had been received.

3.5 With regard to the operation and cost of the Council Tax Support scheme, it was explained that this would be closely monitored with updates to be provided to the BWG.

4 Provisional Grant settlement 2013/14 and 2014/15

4.1 The Director of Resources provided members with an update on the finance settlement. It was explained that this was the first settlement year that would incorporate the retention of business rates.

4.2 The various ways of comparing the settlement to that of previous years was discussed, together with the Governments use of Spending Power as a comparator. It was also explained that the new terminology of Start Up Funding Assessment (SUFA) was broadly the equivalent of the former Formula Grant, and its calculation was explained.

4.3 An essential element in the calculation of the formula funding is the population figure for the borough, and the Director of Resources mentioned that this had an impact on the resulting funding due to a fall from previous estimates of 61,378 in 2010/11, to 57,735 for 2013/14 from the census projections.

- 4.4 In cash terms the council were to see a reduction of 8.86% (£287,814) from 2012/13 to 2013/14. This was contrasted with the Government's calculation of a reduction in 'Spending Power' of only 1.26%. Looking forward to 2014/15, in cash terms the council was to see a further reduction of 12.72% (£376,587).
- 4.5 The Director of Resources took members through the New Homes Bonus monies, the indicative amount that the council would receive in 2013/14 (£350,368) and its current usage. The level of 'Efficiency Support Grant' that a number of the council's neighbours had received was also discussed.
- 4.6 The disappointment of members was expressed over the level of reduction made to the grant funding of rural authorities. The on-going work of SPARSE and Rural Services Network was discussed.
- 4.7 Cllr Ranson stated that over the coming 12 months the council needed to undertake an exercise to compare it's areas of spend to that of other local authorities.

5 Business Rates Retention Scheme

- 5.1 The Director of Resources took members through a report on the mechanics of the new Business Rates Retention scheme. The Government have agreed to maintain a system of centrally determined business rates but with an incentive to reward councils for growth in their area.
- 5.2 Members were taken through the various stages of the calculation of the councils retained business rates for 2013/14. The calculation of growth for the borough was discussed in detail and a modelling spreadsheet was used to demonstrate the impact of different levels of growth on the council's funding.
- 5.3 The Director of Resources explained that the business rates income in 2013/14 would be very closely monitored and compared to the council's baseline. Budget Working Group would be kept up to date with this information.

6 Revenue Budget 2013/14 and 2014/15 - Latest Position

- 6.1 The Director of Resources took members through the latest revenue budget position.
- 6.2 The revised estimate for the current year forecasts that £226K would be added to balances rather than the original estimate of taking £21K. Members were taken through the main movements in the budgets and it was highlighted that more detailed information was being taken to committees in the current meeting cycle.
- 6.3 It was suggested to members that a new 'business rate volatility' earmarked reserve be created at the revised estimate, to set aside an element of the £226k previously mentioned. Members were in agreement with this approach.
- 6.4 Members were taken through the latest position on the 2013/14 budget and the main movements from the original estimate for 2012/13.
- 6.5 A number of scenarios were then given to members on council tax increases and freezes. It was also highlighted that due to our Band D Council Tax being in the bottom quartile for the country, it would be permissible to increase our council tax Band D by £5 (3.6%) in 2013/14 without the need for a referendum.
- 6.6 A number of growth areas were discussed and members were asked for guidance on their inclusion and funding. Members suggested the use of earmarked reserves.
- 6.7 The forecast for the 2014/15 budget was also discussed, with a forecast need for a reduction in expenditure required of £650,000, before use of balances
- 6.8 Commenting on the budget forecast for 2014/15, Cllr Ranson stated that work would need to be completed on balancing the budget by September 2013.

7 Planning Resource Review

- 7.1 The Chief Executive took members through a report on the planning resource review. This included information about the previous restructuring of the service, and the current status of the service.
- 7.2 A discussion took place on the action that was currently being taken to resolve some of the issues. It was agreed that a report be taken to Policy and Finance Committee for approval of the actions contained in the report, with an information report then to be taken to Planning and Development Committee. This was due to the timing of the meetings and the need for early approval.

8 LCC Consultation on their Budget 2013/14

- 8.1 A consultation document had been received from Lancashire County Council on their 2013/14 budget. It was agreed that members would take away the document and feedback any comments to the Director of Resources.

9 Any Other Business

- 9.1 The Director of Resources highlighted that the Council Tax Leaflet was no longer a necessary document and that the Government was encouraging councils away from producing them, instead having the information provided on the website. However, it was understood that a precepting body was proposing to produce a leaflet for distribution with the borough's council tax bills. Members were asked if they wished to produce anything similar for this council. It was agreed that this would be discussed at the next meeting.

10 Date and Time of Next Meeting

- 10.1 It was agreed that the next meeting would be held on **Thursday 24 January at 3.00pm** in the Resources Meeting Room on level B of the council offices (across from the toilets).
- 10.2 Apologies were received in advance of the meeting from Cllrs Thompson and Rogerson.

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 24 JANUARY 2013

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

1 Apologies

1 Cllr Thompson

2 Minutes of Budget Working Group 16 January 2013

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

3 Three Year Forward Capital Programme 2013-2016

3.1 The Head of Financial Services took members through a report on all of the capital scheme bids that had been received from Heads of Service for the 2013-16 period. The recommended financing mechanisms for the various schemes based on previously agreed categories was also explained.

3.2 As the bids that had been received were not all affordable, recommendations of CMT were presented to members, which included the exclusion of a number of schemes and the reduction in the value of a number of others.

3.3 Members were in agreement with the recommendations of CMT and it was agreed that such recommendations form the basis of the report to the forthcoming Special Policy and Finance Committee meeting.

4 Revenue Budget

4.1 The Director of Resources took members through the latest revenue budget position, and presented two scenarios of freezing the council tax level and taking advantage of the council tax freeze grant, or increasing the council tax level by £5.

4.2 Members agreed that a recommendation be made to the Special Policy and Finance Committee that there be a freeze in the level of council tax for 2013/14, taking £146K from general fund balances.

4.3 Due to the uncertainty that was surrounding jobs at other local authorities, Cllr Ranson would email all staff to reassure them on the council's budget position for the 2013/14 financial year.

5 Any Other Business

5.1 The Director of Resources highlighted to members that benefit recipients were to be written to with regard to the new Council Tax Support arrangements, at which time we were to include details (following past LCC requests) of free school meals.

5.2 The Director of Resources also mentioned to members the forthcoming meeting to review Voluntary Sector Grants and sought members' confirmation on the level of publicity of the scheme. It was agreed that all ward councillors be emailed and that it should be advertised on the council's website.

6 Date and Time of Next Meeting

6.1 The next meeting would be the meeting with Representatives of Business Ratepayers, on **25 February 2013 in Committee Room 1 at 4.00pm**